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COORDINATING CONTRACT SUPPORT ON THE BATTLEFIELD: DEFENSE, STATE, AND USAID

HEARING

BEFORE THE

OVERSIGHT AND INVESTIGATIONS SUBCOMMITTEE

OF THE

COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES

ONE HUNDRED ELEVENTH CONGRESS

FIRST SESSION

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COORDINATING CONTRACT SUPPORT ON THE BATTLEFIELD: DEFENSE, STATE, AND USAID

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
OVERSIGHT AND INVESTIGATIONS SUBCOMMITTEE,
Washington, DC, Wednesday, April 1, 2009.

The subcommittee met, pursuant to call, at 1:06 p.m., in room 2212, Rayburn House Office Building, Hon. Vic Snyder (chairman of the subcommittee) presiding.

OPENING STATEMENT OF HON. VIC SNYDER, A REPRESENTATIVE FROM ARKANSAS, CHAIRMAN, OVERSIGHT AND INVESTIGATIONS SUBCOMMITTEE

Dr. SNYDER. The hearing will come to order. Good afternoon, and welcome to the House Armed Services Oversight and Investigations Subcommittee's second hearing following up on specific legislation related to contingency contracting and the acquisition workforce.

Today's hearing will focus on the implementation of Section 861 of the National Defense Authorization Act (NDAA) for Fiscal Year 2008, which required the Department of Defense, Department of State, and the United States Agency for International Development (USAID) to sign a memorandum of understanding regulating contracting matters in Iraq and Afghanistan.

This subcommittee has been interested in interagency cooperation in Iraq and Afghanistan for over two years, and contracting is an important piece of that. Earlier this year, Secretary Gates told the Senate, "We have not thought holistically or coherently about our use of contractors, particularly when it comes to combat environments."

In April 2008, in a full committee hearing on the Gansler Commission recommendations, Chairman Skelton noted the Commission's suggestion that there ought to be an integrated expeditionary command to coordinate contracting with a "whole of government" approach.

Just last week, Major General Darryl Scott, the former commander of the Joint Contracting Command Iraq/Afghanistan, gave us several specific examples of contracting projects where interagency cooperation broke down, resulting in waste of taxpayer dollars.

Finally, as was mentioned at last week's hearing that we had, the Department of Defense spends over half of all contract dollars on services contracts and smaller items versus major defense acquisition programs.

Section 861 mandated that the agencies with witnesses before us today negotiate and agree upon a memorandum of understanding

(MOU), which they did in July 2008. We are here today to see how well they have done in implementing the MOU. The MOU was intended to increase visibility across the agencies and to enhance our ability to track contracts and contractors to know where they are, what they are working on, how much we are paying them, and how that work is proceeding.

The MOU also provides a framework to ensure that contractors who are traveling though the battlespace do so safely, and that any contractor who commits a criminal act is prosecuted to the fullest extent of the law by the appropriate agency. Ultimately, the real purpose of this MOU is to help all our men and women in these wars, both in and out of uniform, accomplish the often difficult and dangerous missions that we have asked of them.

The witnesses we have with us today are at the front lines of making sure this kind of coordination happens, and we look forward to hearing from each of them. And before I introduce them, I will turn to Mr. Wittman, our ranking member, for any comments he would like to make.

[The prepared statement of Dr. Snyder can be found in the Appendix on page 37.]

STATEMENT OF HON. ROB WITTMAN, A REPRESENTATIVE FROM VIRGINIA, RANKING MEMBER, OVERSIGHT AND INVESTIGATIONS SUBCOMMITTEE

Mr. WITTMAN. Thank you, Mr. Chairman.

And I wanted to thank our witnesses today for taking time out of your busy schedule to join us; we certainly appreciate that and look forward to your testimony.

Now, at our hearing on contingency contracting last week, the Army and Department of Defense officials described the changes that the Department of Defense (DOD) is instituting to improve management of services contracting contingency operations. Indeed, DOD's response to the Gansler Commission recommendations have been comprehensive, and it is beginning to have the desired effect. We will continue to watch closely to make sure that today's urgent lessons are not lost in future contingency operations none of us can now foresee.

Today's hearing is about the next step; namely, integrating and coordinating the efforts of all elements of the federal government to ensure unity of effort in a contingency operation. While a seamless, efficient federal goal is a laudable goal, we should recognize that this standard will be difficult to reach. We are not close to solving interagency coordination here in peacetime; Washington, D.C. is a far easier challenge than figuring it out under fire in a sovereign foreign nation.

Afghanistan and Iraq are the first major conflicts in which we have expected the civilian side of government to perform duties and deliver services in a non-permissive or hostile environment. It is understandable that our acquisition system is disjointed since we are literally experimenting as we go on new ways to meld the capabilities of the various elements of our federal government.

We recognize that the State Department operates through the ambassador, the Department of Defense through the combatant commander, and USAID is semi-independent. But because our new

joint interagency way of operating promises better results, as we have seen in Iraq, it is even more urgent that we sort out clear lines of authority for U.S. government activities in contingency operations.

I am less concerned with dictating a single computer system or contracting method than in ensuring that responsible officials on the ground, be they military or civilian, know what contractor is responsible for what services, and what contractors they are responsible to support. I would like to hear common sense solutions for the practical operational issues our deployed military and civilian leaders face in the field.

I am confident we can make substantial progress, if not entirely fix the system, and we in Congress must do our part to rationalize the maze of authorities the various agencies possess for nation-building efforts.

Our witnesses today are experts in this area, and ladies and gentlemen, I look forward to hearing from you and your thoughts and ideas about how we can bring all of these different efforts together in the most efficient way possible.

Thank you, Mr. Chairman. I yield back.

[The prepared statement of Mr. Wittman can be found in the Appendix on page 40.]

Dr. SNYDER. Thank you, Mr. Wittman.

Our witnesses today are Mr. Gary Motsek, Assistant Deputy Under Secretary of Defense for Program Support; Mr. William Moser, Deputy Assistant Secretary of State for Logistics Management; Ms. Maureen Shauket, Director of the Office of Acquisition and Assistance and Senior Procurement Executive for USAID; Mr. John Hutton, Director of Acquisition and Sourcing Management at the Government Accountability Office (GAO).

We appreciate all of you being here. Your written statements will be made a part of the record. We will recognize each of you for five minutes, and I think—hopefully our lights will work. When you see the red light go on that tells you five minutes is up. We want you to keep going if there are other things you need to tell us, but I would encourage you to err, kind of, on the side of a summary statement.

I also appreciate you all being here today to discuss what I think is pretty complicated material, and this is all in the spirit of doing what we all want to do, which is get the best bang for the buck of the American taxpayer in a way that helps our men and women in uniform in a very, very complicated war environment in Iraq and Afghanistan.

So I think we are going to begin with Mr. Motsek. Is that correct? Yes. We will begin with Mr. Motsek, so for five minutes. It is good to see you again.

STATEMENT OF GARY MOTSEK, ASSISTANT DEPUTY UNDER SECRETARY OF DEFENSE, OFFICE OF PROGRAM SUPPORT, OFFICE OF THE UNDER SECRETARY OF DEFENSE (ACQUISITION, TECHNOLOGY & LOGISTICS)

Mr. MOTSEK. Chairman Snyder, good afternoon. Chairman Snyder, Congressman Wittman, and Mrs. Davis, good to see you.

Thank you for the opportunity to appear before you and participate in today's discussion. I would like to thank the committee for their continued support of our troops, and all you have helped already for us to do our mission. I would also like to recognize the men and women who serve our great country, and that includes our military-civilian coalition, interagency and industry partners. None of us could have gotten this job done without the other, and I am continually impressed by the increasing cooperation among us.

I have a written statement, which you should have. I may go back to that during Q and A's because we have imbedded some of the matrixes of where we stand with Section 861 on that written statement.

In my brief opening remarks I would like to highlight the progress we have made in our broader efforts to improve oversight and management of contractors and contingency operation and specific emphasis on DOD's progress in implementing the memorandum of understanding regarding contracting in Iraq and Afghanistan that was required by Section 861. We are continuing to make significant advances in executing our strategic goals as outlined in our earlier Section 854 report to Congress that was submitted last April.

There are other complimentary enablers along with 861, such as Section 862 and 1248 of the last NDAA. In fact, we really have to look at holistically as we respond to your questions. And of course, as the chairman has noted, our response to the Gansler report is also integral to this entire effort.

First, I would like to provide oversight—to provide oversight and synchronization inside of DOD, I, along with the vice-director for logistics, the J–4, have institutionalized what we call the Section 854 General Officer Steering Committee. It consists of military department representatives and defense agency senior program managers for operational contract and support, and we meet regularly as the center of the community of practice and community of interest who regularly oversee and synchronize the implementation of our joint policies.

Second, to ensure we have a single in-theater program manager providing oversight and management of our contracts and contractors, we have instituted a planning and coordination structure for future contingencies. The key to that is the Joint Contingency Acquisition Support Office (JCASO), which is building its capacity right now to perform program management and operational synchronization for all theaters and their contracting efforts.

On October 20, we fielded a provisional JCASO structure with a Senior Executive Service (SES) in charge. We thank the Congress for giving us the two-star billet, which we will fill in the future when we have a qualified individual. We have developed a concept of operations, and we have been exercising that concept along with our joint combatant commanders, and narrow efforts include interagency planning and coordination.

To assist our geographical combatant commanders to identify the requirements and identifying the gaps in their contracting support packages and their operation plans, we have allocated 14 joint operational contract support planners to the commands. These

planners are helping to integrate the required contractor support into future plans and synchronize requirements with its subordinate commands, the other agencies, and other government agencies, and our coalition partners.

To this date, the planners have reviewed the operational plans and concept plans in each of the commands and are developing the overarching templates as an operational support annex to the plans. Just as an example, as we sit here today, the official direction about Annex W, which is contractors in what we call the Joint Strategic Capabilities Plan (JSCP), consists of two paragraphs of instruction. These planners have now expanded that to a provisional 12 pages of instructions. So that is the level of detail and broad context that we are trying to get into our future operational plans.

Fourth, we are making progress in our transition from the manual accounting of contractor personnel to use the synchronized predeployment and operational tracker—we call it the Synchronized Pre-Deployment and Operational Tracker (SPOT)—to track contractor personnel and contractor capability in theater. Approximately 70 percent of our contractor population, which includes virtually all U.S. and most third-country nationals, as reported in our last manual census, have been registered in SPOT.

I anticipate two more cycles of the manual census before we transition to the operational system, but it is incumbent to me that we have a high confidence-level—high 90s percent confidence-level that we are tracking the exact numbers in both systems. And our interagency partners obviously have the capability to register their contract personnel.

With respect specifically to the implementation of Section 861, State and USAID have signed a memorandum of understanding; we have identified our roles and responsibilities and identified SPOT as the common database. Since that July, we have made significant progress in our implementation.

As noted in my written statement, many of the requirements of Section 861 have been met through the added functionality of SPOT. Other requirements are being addressed through policy changes and implementation guidance. And again, we are working very closely with our partners.

We are now staffing a revision to the MOU to address the additional requirements that were placed upon us by Section 854 of the last NDAA. From my perspective, the Section 854, found in the 2007 NDAA, was a seed change in the way we organize, manage, and support our contractors. Institutionalization of these changes, as well as stable funding for efforts, continues to be my primary priority.

There are two important efforts that are ongoing right now. First, the Chairman of the Joint Chiefs of Staff has a task force on the dependence of contractors in contingency operations. This task force has examined use of DOD contractors to determine our reliance and dependence on that contractor support.

The second effort is the Commission of Wartime Contracting, chartered by Congress to look at not just DOD, but all federal agencies and their use of contractors and to make specific recommendations. We have been extensively engaged with both of

these efforts, and we urge Congress to let both of these efforts reach their conclusion before developing any future major statutory change to the way we deal with contractors in the battlespace. Again, your support has been absolutely critical to our progress thus far, and I will need your continued support to achieve our objectives.

I thank you again, Mr. Chairman and the members of the committee, and I will be happy to answer any questions as they come up. Thank you, sir.

[The prepared statement of Mr. Motsek can be found in the Appendix on page 43.]

Dr. SNYDER. Thank you, Mr. Motsek.

Mr. Moser.

STATEMENT OF WILLIAM H. MOSER, DEPUTY ASSISTANT SECRETARY OF STATE (LOGISTICS MANAGEMENT), U.S. DEPARTMENT OF STATE

Mr. MOSER. Mr. Chairman, Congressman Wittman, Mrs. Davis, I welcome the opportunity to provide you an update on the Department of State's implementation of Section 861 of the National Defense Authorization Act of 2008. Please allow me to first express how much we at the State Department appreciate the support of this subcommittee.

As the deputy assistant secretary for logistics management, I am responsible for ensuring that our global logistics platform provides consistent, reliable support to the men and women who directly implement our foreign policy around the world. I work daily with the Bureau of Diplomatic Security, part of the State Department, as well as with our interagency partners, to guarantee the safety and security of our personnel in the dangerous but critical environments of Iraq and Afghanistan.

I am pleased to be able to state before you today that this is a good news story. Legislation originated by this body is part of that story.

Section 861 of the National Defense Authorization Act of 2008 reinforced through legislation the strong cooperative effort the Department of Defense, the Agency for International Development, and the Department of State began in February—began in February 2007. Even prior to the signing of their July 2008 MOU, our three agencies had discussed at length how best to account for contractor personnel in Iraq and Afghanistan.

We concluded that the SPOT provided the best available information system solution. The Department has enthusiastically embraced this solution.

In March 2008, the Department directed contracted officers to incorporate into each contract a regulation that required contractors to include their personnel deployed in Iraq and Afghanistan in SPOT. Each of our agencies—and I will emphasize this—has its own business process for contracting.

From July until November 2008, the Department of State developed our unique system hierarchy for data entry into SPOT and defined business rules, roles, and responsibilities. State met the Section 861 120-day deadline, and by November 2008 had included all

contracts, subcontracts, task and delivery orders over $100,000 into SPOT.

In January 2009, SPOT was mandated for all State Department grants in Iraq and Afghanistan. As of today, in SPOT, State has entered data on 88 contracts and 53 grants. We have 5,670 contract personnel in Iraq and 1,649 in Afghanistan.

Much work has been accomplished. SPOT system enhancements, which Gary has talked about in his written testimony, will continue as the State Department, DOD, and USAID continue to work together daily to improve our cooperative efforts in Iraq and Afghanistan.

This concludes my testimony, and I look forward to discussing with you any questions you may have.

[The prepared statement of Mr. Moser can be found in the Appendix on page 55.]

Dr. SNYDER. Thank you, Mr. Moser.

Our next witness—we don't get many opportunities to have USAID testify before one of the defense subcommittees, but we appreciate you being here, Ms. Shauket, representing your agency. We should say that we are zealous advocates on your behalf on the need for USAID to have—as with the State Department—to have, in Secretary Gates' words, "dramatic increases in funding and personnel."

So we appreciate you being here, and you are recognized for five minutes or whatever you need.

STATEMENT OF MAUREEN A. SHAUKET, SENIOR PROCUREMENT EXECUTIVE, DIRECTOR OF THE OFFICE OF ACQUISITION AND ASSISTANCE, BUREAU FOR MANAGEMENT, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

Ms. SHAUKET. Thank you very much, Mr. Chairman. I am honored to be here.

Mr. Chairman, Ranking Member Wittman, Mrs. Davis, thank you for the opportunity to appear before you today to provide an update on USAID's compliance with the National Defense Authorization Act of 2008. USAID operates in more than 80 countries worldwide to provide economic, humanitarian, and development assistance in support of our U.S. foreign policy.

In fiscal year 2008, USAID delivered more than $13 billion of assistance throughout the world. This success was achieved by our dedicated civil service, foreign service, local, and third-country national employees working together with our implementing partners to achieve sustainable development results.

Our programs in Iraq and Afghanistan represent 5 percent and 13 percent respectively of USAID's total program budget. Strong oversight and accountability of our programs in these critical countries are priorities for USAID. Like our colleagues in the Department of Defense and the Department of State, USAID is committed to carrying out the terms of the MOU. Together, we are working closely with our colleagues to properly identify and report contractors on the ground through the use of the SPOT database.

USAID has experienced steady progress with SPOT implementation, particularly in Iraq. This progress comes as a result of dili-

gent coordination with DOD's SPOT support team and our State Department colleagues.

We are working closely to adopt SPOT to accommodate USAID's business process. For example, SPOT is being revised to increase the system's capability to track subcontractors.

In Iraq, SPOT implementation became a reality for USAID in late 2008. Our staff has been trained and is actively using the database. We have also trained our implementing partners and developed specific procedures to assist their personnel in the appropriate use of the system. As a result of these efforts, USAID mission users, contractors, and grantees now have the capability to use the system.

The current operating environment in Iraq facilitates USAID's use of SPOT because SPOT is being used to generate letters of authorization, the mechanism for receiving U.S. government-provided logistic services. The long established practice of requiring letters of authorization as a means of gaining access to these facilities has expedited—has been expedited by the introduction of SPOT.

This practice serves as one lesson learned for USAID as we look toward implementation of SPOT in Afghanistan. Reviews are underway to determine how we can best apply the lessons of Iraq to mitigate the challenges posed by the current operation environment in Afghanistan, which differs greatly from Iraq. With more than 10,000 contractor and grantee personnel on the ground in Iraq and only seven U.S. direct hire contracting officers supporting this effort, we face a great management challenge.

Additionally, we do not use the letters of authorization due to the differing nature of operations in Afghanistan. Our implementing partners have long been responsible for their own in-country logistics and operational support.

DOD and State have been extremely receptive to working through these challenges with USAID. Daily conversations are assisting us in moving forward with the practical implementation of SPOT, both in Iraq and Afghanistan.

We at USAID are committed to actively working on these solutions. We look forward to continuing the collaboration with our DOD and State colleagues to further enhance our accountability and oversight in Iraq and Afghanistan.

Again, I appreciate the opportunity to appear before you today, and I will be pleased to respond to any questions you may have.

[The prepared statement of Ms. Shauket can be found in the Appendix on page 58.]

Dr. SNYDER. Thank you, Ms. Shauket.

We do have a series of votes, but we will be able to hear your opening statement, Mr. Hutton, so you are recognized.

STATEMENT OF JOHN P. HUTTON, DIRECTOR, ACQUISITION AND SOURCING MANAGEMENT, U.S. GOVERNMENT ACCOUNTABILITY OFFICE

Mr. HUTTON. Well, thank you.

Mr. Chairman and members of the subcommittee, thank you for inviting me here today to discuss DOD, State, and USAID's efforts to implement a memorandum of understanding regarding contracting in Iraq and Afghanistan. As you know, DOD, State, and

USAID have relied extensively on contractors to support troops and civilian personnel, and to help rebuild the two countries.

And the use of contractors in contingency operations is not new, but the numbers of contractors and the work they are performing in Iraq and Afghanistan represent an increased reliance on contractors to carry out these agency missions. While recognizing the benefits of using contractors, we and others have noted the challenges federal agencies have in managing and overseeing their growing numbers.

My statement today is drawn from our ongoing and prior work on contracting in the contingency environment, including Iraq and Afghanistan. I should also point out that we also had a requirement in last year's NDAA, Section 863, to issue a report every October 1st for 3 years that would provide detailed information on the numbers of contracts, numbers of contractor personnel performing in Iraq and Afghanistan, as well as information on casualties.

We issued a report last October, and that work gave us some insights on where the agencies were at that time, but it also, as we are carrying forward in this year's work, it has given us a sense of how much work has been ongoing. But today I will first highlight the importance of having information on contracts and contractor personnel to manage and oversee contractors, and second, the status of the agencies' implementation of the MOU and the SPOT database.

First, we reported extensively on the management and oversight challenges related to the use of contractors in support of contingency operations and the need for decision-makers, whether they be in the field or at headquarters, to have accurate, complete, and timely information as a starting point for addressing this challenge. Although much of our priorities focused on DOD, the lessons learned can be applied to other agencies relying on contractors to help carry out their missions.

Agencies lacking the complete and accurate information on contractors supporting contingency operations may inhibit planning, increase costs, and introduce unnecessary risk. For example, our work has shown that without incorporating information on contractors in the planning efforts, agencies risk making uninformed programmatic decisions. The lack of insight into contract services being performed increases the risk of paying for duplicative services, and costs can increase due to a lack of visibility over where contractors are deployed and what government support they are entitled to.

While actions have been taken to address our past recommendations, agency officials have noted that the implementation of the MOU, and specifically the use of SPOT, has the potential to bring dispersed information together so it can be used to better manage and oversee contractors. And this brings me to my second point: DOD, State, and USAID have made some progress in implementing SPOT as agreed to in the MOU, but not all contract personnel are being entered at this time.

While agency officials have expressed confidence that certain categories of contractors, including those who have access to U.S. installations, are in SPOT, officials acknowledge that data on other contractors, namely Iraqi and Afghani nationals, for example, are

incomplete. Also, USAID is not yet requiring its contractors in Afghanistan to use SPOT.

With these and other limitations, the agencies continue to rely on other systems to respond to requests for information on their contractors. For example, DOD still relies on a quarterly census of contractor personnel because it is regarded as more complete than SPOT. But you heard from Mr. Motsek this morning their plans in the near-time future to move away from the quarterly.

With respect to contract data, while SPOT has the capability to track the required contract information, there seem to be different views among the agencies as to which contracts need to be tracked. The agencies agreed in the MOU to track contracts with a period of performance of 14 days or greater or valued at more than $100,000.

DOD currently requires contracts of more than 30 days of performance or a total value of $25,000 to be entered into SPOT, but there is some consideration to increase this to $250,000. In contrast, USAID officials have suggested that other factors, such as whether personnel have access to U.S. installations, should determine which contracts go into SPOT.

In closing, by designating SPOT as their database to track information on contracts and contractor personnel, DOD, State, and USAID are not only addressing a statutory requirement, but when fully implemented, they also have an opportunity to use this information to help address the longstanding contract management challenges.

However, agencies have varying views on the level of detail and types of information to be captured by the database and the usefulness of such data to better plan and oversee contractors. It is important that DOD, State, and USAID continue to work together to develop and implement a database that is flexible enough to be applicable across the agencies while still providing detailed information to better manage and oversee their contractors.

Mr. Chairman, this concludes my prepared statement, and I would be happy to respond to any questions.

[The prepared statement of Mr. Hutton can be found in the Appendix on page 62.]

Dr. SNYDER. Thank you all. And thank you for both your written statements and your oral statements.

What we will do is, we have votes that will begin—or will end in about 10 minutes. And I am going to get in a couple questions, then we will need to recess. It is a series of votes, so it will probably be close to a half hour or somewhere in that range, I would think.

I have to ask this, as the, you know, as the father of four very young boys, about the synchronized pre-deployment and operational tracker, what you refer to as SPOT: Mr. Motsek, do you get up in the morning and say, "Run, SPOT, run. Run, run, run."

I couldn't help myself.

I wanted to ask——

Mr. MOTSEK. Yes.

Mr. HUTTON. And I do, too——

Dr. SNYDER. It certainly is. Synchronized pre-deployment and operational tracker.

When this MOU legislation was passed in the defense bill, the purpose is not to end up with another report—more information that you all have to compile and get together amongst yourselves to compile, and figure out how to work and make SPOT run, run, run. The purpose is to help achieve the goals that we are trying to achieve in Iraq and Afghanistan.

And so my question for each of you, Mr. Hutton talked about when this information comes together, and if this information comes together, it helps manage contracts, which I would think would mean do our job better. My question for each of you is, to this point, do you believe that we are better off by having this MOU, in that—is it not just compiling information but is it helping you manage the war and redevelopment effort in Iraq and Afghanistan?

Mr. Motsek.

Mr. MOTSEK. Mr. Chairman, I would say, frankly, the MOU is a good first effort.

Dr. SNYDER. Is that a "no"?

Mr. MOTSEK. No. I mean, no, it is a yes. But it is a first effort. MOUs, by their very nature, are a bit of a challenge because, as you know, there is not an enforcing mechanism, as you can imagine. And you have to—you know, we are in the crawl, walk, run mode, going back to your children, and we are in the crawl, walk, walk mode now with our interrelationships and our ability to talk some common lexicon and common language.

I personally don't foresee us ever, at this point in time, having some supernumerary contracting command that would be regional in its construct because we have separate appropriations, we have separate business rules, and quite frankly, we have separate missions.

But this is one of the issues we have been addressing with the Commission on Wartime Contracting: What is the appropriate vehicle in the future to work this interagency process? Because fundamentally, even though it is in statute, it is generally a voluntary-type process right now; it is on the goodwill of the agencies involved to bring this forward as we sit here today.

And I have got to tell you, frankly, it has been goodwill. But having worked with these folks working the MOU to begin with, the one thing I learned: If you want to find out how many lawyers you have in your agency, try to work an interagency MOU, because they will come out of everywhere, and there is just this inherent attempt—an inherent belief that you have to protect the interests of your agency, your department. And we have got to push beyond that. So this was an excellent first step.

Just as an aside, the challenges USAID had are somewhat unique compared to DOD, and to accommodate some of their issues we have agreed and we are creating a classified version of SPOT as well so that they have the opportunity to put it in the protected but unclassified version or a classified version, where we can merge the numbers later, but the personal information can be protected as necessary.

Dr. SNYDER. Mr. Moser.

Mr. MOSER. Chairman Snyder, I will say that we—the State Department really does take the position that it is essential in any

of these situations to have a strong interagency presence. We will starkly defend our independence, particularly the independence of our contracting authority, in this case, but it is also important that we know that we can't get our mission done or execute the foreign policy goals of the United States without the help of our partners, whether it be in DOD, or with USAID, where we are located in many, many countries. I mean, this is something that we are used to working in this kind of interagency environment all over the world.

Did the memorandum of understanding help? I think that given the situation in—given the situations here before that in Iraq, yes, they have been very helpful. However, I will say, is that we have—the MOU helped us to get a little bit more focus and then help push—help the people on the ground also get into more closer coordination on a whole host of issues, whether it be the reporting of incidents, or it be the movement coordination, that these things were—the MOU was part of an evolving situation where cooperation was getting closer and closer.

Dr. SNYDER. Ms. Shauket, it really is okay to say, "No, it didn't help."

Go ahead.

Ms. SHAUKET. No, it has helped us, and while—and mainly in the area of collaboration. And what I have seen on the ground in both Afghanistan and Iraq is that USAID collaborates very closely with our embassy colleagues, as we do in every country, but we also coordinate very, very closely with the military on the ground. A difference has been, I believe that we are now all collaborating more closely in Washington as well, and that we have a venue for discussing more of the common problems at both levels now.

Mr. MOSER. Yes. Dr. Snyder, if I could add one point to that is, you know, if you go—you know, Maureen and I are both foreign service officers, and Gary has been at our post, I think, in Brussels, right? Before. Yes. He has been actually stationed in one of our embassies overseas reviewing the NATO mission.

And basically, you know, in a way that we feel that for the most part, at most of our overseas locations, that interagency cooperation works pretty well. Really, the real problems in interagency cooperation actually happen more frequently in Washington, and I think—because overseas there is a real clear understanding of what everyone's role is and they know what they are supposed to do.

The MOU, in that regard, was helpful in getting our domestic agency front really coordinated better. And that is important because it is through that coordination in Washington that we actually support those people out in the field.

Dr. SNYDER. I think we better recess now for the votes. We will come back and we will begin with Mr. Wittman.

[Recess.]

Dr. SNYDER. Hearing will resume. Mr. Wittman is recognized for five minutes. We will give him an opportunity to catch his breath and put his glasses on.

Mr. Wittman.

Mr. WITTMAN. Thank you, Mr. Chairman.

Again, I appreciate the patience of the panel members as we walk across the street to do our bonded duty.

I wanted to direct a question to Mr. Hutton concerning the GAO. And as we have seen, the GAO and others have highlighted too many longstanding challenges regarding contractor support to our deployed forces. Can you tell us, what further actions do you think are needed, and who would be responsible, or who should be responsible for carrying them out?

Mr. HUTTON. Sure. Thank you.

With respect to SPOT, I think that it is going to be a big step, as we have said here. We have been calling for the importance of being able to track the use and the reliance on contractors, understanding what they are doing, the extent to which we are using contracts. I think the MOU provides an opportunity in this dialogue that you are seeing here for three agencies to get together; I know a lot of our work has been focused on DOD.

So there is a chance that for the first time you are going to—each agency is going to be able to have a better understanding what the other agencies are doing in a particular area of responsibility. So I think there is an opportunity here to have improved management if the agencies are thinking right now as to what specific data they think they need to better manage their contractors, and how will SPOT provide that.

With respect to other things, I think that—and Mr. Motsek mentioned earlier—you know, there is a lot of activity going on right now in many different areas, and one of the areas that we also recognize as important: You can have a database, hopefully to help you be more proactive, but we think it is important that you also focus on some of these other important areas.

Somebody talked about last week things like making sure you have a trained non-acquisition workforce, for example. Things like, are we able to leverage the lessons learned and be able to plan and incorporate bills into our plans for future operations? So I would throw those out as two areas that I would say are things that we can continue to look to as areas that are very important, as well as just having a handle on the database.

Mr. WITTMAN. Very good. Thank you.

You know, I have heard all of you speak as you talk about this MOU and the things that it has brought about—talk about collaboration, coordination, more understanding, more opportunities. What I would like to get from that, though, is to understand what actions it has brought about. What changes has it brought about in things that have happened in the field?

It is great to be able to collaborate, to communicate, to talk more, to understand, to look at opportunities, but what I would like to hear are maybe some examples, and to go down the panel and start with Mr. Motsek and look at giving us examples of where the MOU has actually resulted in things that happened that would not have happened without the MOU.

Mr. Motsek, we can start with you.

Mr. MOTSEK. Well, I would just premise my remarks by saying we don't look at the MOU by itself, but as Mr. Hutton said, in a broader context of everything else we are doing. The dialogue, for example, that Mr. Moser and I have started with our memoran-

dums of agreement and private security contractors, and the MOU was a natural outgrowth of that. So from a practical standpoint, the—we actually have in place a process of negotiation and discussions on a routine basis to make things happen.

As a practical example, when in Iraq we knew that we were going to lose immunity for our contractors in Iraq, State Department and DOD did not operate in isolation of each other, we collectively, jointly held meetings with our contractors.

I hosted the meetings in Washington for our contractors in the morning; Will attended with me. I went to the State Department. I attended his meeting. We agreed that we would have one database—or, excuse me, one website where we would post all the relevant documents for both sets of contractors so we would stay focused and fused as we went through the process. And I would argue that has been very, very successful. So that was a small example.

The fact that we started in DOD exercising the JCASO concept, and the State Department, on our first exercise in European Command (EUCOM)—which is a good place to practice these things, in European Command—had about five people there to more or less observe the process.

In the exercise that is coming up, I believe it is called Austere Challenge, this fiscal year, State Department is coming in full-blown. They are going to play it as a participatory partner so that it doesn't affect what is going on in Iraq and Afghanistan today, but that is this predictive and this future context that we are operating in where we have learned hard lessons from our lack of synergies in the existing operation and we are building an entire exercise program where we are playing together in the same sandbox as we go through it.

And that, in my mind, has been extraordinarily successful. And my combatant commanders—DOD's combatant commanders have embraced this dramatically. I mean, they see the value of starting at the joint exercise level with our agency partners, because unless you do it in an exercise, it becomes too ethereal when you have to do it in practice.

Mr. MOSER. The one additional one that Gary did not mention is that I think that as a result of both 861 and 862—and even though I know the hearing isn't really concerned with 862, but I do consider them as linked areas—one of the things that we have now that we did not have before was an office to our Regional Security Office in Baghdad that is for our contractor oversight.

And I think that through this—through the MOU process—we have gotten much tighter about the whole chain of incident reporting, not only just the movement coordination that is in 861, but also about the incident reporting and the other things that are in 862. And that has been a much more formalized process, and I think the MOU helped on that.

In reference, though, of what Gary said, and just elaborate a little bit more: I don't think we would have ever had such a successful approach to the contractors after the signing of the security agreement in November of 2008 if we hadn't already worked on the MOU and already set the foundations in the collaboration. And it really is a very interesting fact that, you know, I went around in

preparation for this hearing, said, "Well, since we have had the loss of immunity for the contractors, has there been any effect on our personnel?" Well, the answer is, from all my contracting staff, is "no."

Well, part of the reason for that is, I think—not that I will fault Mr. Motsek for this—but I think he and I did, actually, a very, very good job in rolling this out not only to our contractors, but to USAID's and Justice's contractors as well, and I don't think that we would have gotten to that level of collaboration if we hadn't already done the work that we did with the series of MOUs. I think that one led to the other.

Ms. SHAUKET. Thank you. I agree, and especially as it relates to the incident reporting. We have definitely had lessons learned on that; we have collaborated and we have a much improved system for that now.

For USAID, it really has expedited our letters of authorization (LOA), as I have mentioned. Prior to that, we received Common Access Cards (CAC) and it was a very cumbersome process, and we didn't understand how to route through the system to go through the embassy and DOD to get the CAC Cards for our implementing partners. Now that has been very streamlined and expedited with the onset of SPOT, so that has been a real benefit to us.

Mr. WITTMAN. Thank you.

Dr. SNYDER. Mrs. Davis for 5 minutes.

Mrs. DAVIS. Thank you, Mr. Chairman.

And thank you all for being here. I would like to ask about a situation to try and see how the MOU and the changes are able to track this situation. In 2006, the Army Material Command reported that approximately $43 million was wasted on free meals provided to contractors who already were receiving the daily per diem for food. Recent reports indicated that it is possible that this type of waste is still ongoing.

Could you each tell me how you determine whether or not contractors are receiving services for which they are not eligible? How do you do that? And has that improved? How have you corrected it?

Mr. MOTSEK. Mrs. Davis, you couldn't ask a better question, because it dovetails on exactly what my counterpart was talking about. Let me set the stage: In 2006 we had, at last count, that I could count, we had 192 separate letters of authorization floating out there—types of letters. Everyone was authorized to sign anything to tell a contractor that you were entitled to the moon, as necessary. We had no standards of medical support; we had no standards of health care; we had no standards of housing, if you will. We were really pretty much out of control.

Under our program—and we all play in the same sandbox now—if you are issued a letter of authorization, which you are not going to get on a military aircraft in the area of responsibility (AOR) without it, it is a standardized format which your contracting officer controls the input. You only have certain options that you can authorize.

If you are a general contractor, you are only going to be entitled to resuscitative care, for example. If we are going to provide meals for you, it will be listed as meals. And the letter itself—Chairman

Snyder has a copy of one in his book—has a barcode on the bottom. You can actually scan the letter as if it was your ID card.

So I will be blunt with you: I don't care whether you are authorized to eat in my dining facility or not. What I do care is that if it is not part of your contract to be fed in that dining facility, that I have a process that I can bill you. I don't care, frankly, whether or not we gave you more medical care than basic resuscitative care in our medical field, but you have to be able to register into our system so that we know what we gave you so that we can bill you in the future. So that is the issue.

The second piece of your question is that until we had the centralized database or data source, we literally had incidents where, for a variety of good reasons, people were entering and exiting our facilities on an access card of some sort, but the access card dates were not necessarily tied to your contract dates. And so you may have been given your access card on a calendar year, but your contract ended on 30 October.

In theory and in practice, you could have stayed 60 days in theater on our dime—the government's dime—getting housed and fed, looking for additional work. Now, the letter of authorization is keyed and becomes void the date of the end of the contract. So we policed that up.

The other piece of SPOT is—as I said, it is hundreds of readers. We put them out already, and of course we have forced State and USAID to fund their own. But it is a standard barcode reader so we can track you where you are, because from my position, SPOT doesn't do its job until I can link you to a contract, to the execution of that contract, to a location that that contract is being executed. And so you have got to scan when you go through the process.

Mrs. DAVIS. Now, are you able to go back—he was telling the folks who received medical care, for example, that was way over and above what was——

Mr. MOTSEK. I don't think we will go back. You know, it is a start and we have had a—we have presented this to the medical community, and they have embraced it very, very quickly, because they recognize what is going on.

You know, we are in a box where we pay for an insurance policy for medical care. And in practice, what we were seeing that we really didn't charge that medical insurance process unless you were evacuated from theater. So we missed what was happening in theater, and part of it was self-inflicted. We did not have standards because of the lack of standardized letters.

Mrs. DAVIS. What do you hope will be the timeframe of tracking that and then making certain that people——

Mr. MOTSEK. It is virtually ongoing right now. I mean, we were with the medical department folks not more than two weeks ago trying to finalize, making sure we have the scanners in process for example.

Mrs. DAVIS. Do any other—your agencies, is there any different take that you would have on that issue, in terms of trying to work with it?

Mr. MOSER. Well, we are currently exploring the use of the readers, although the LOA, which Maureen has talked about and Gary as well, are actively used now. That was part of something that we

recognized that we had to have. In fact, we were in the position where we were saying, "Well, let us get to the person in SPOT. We know it is coming, and we will get you the LOA," but we had to kind of play a little bit of a catch up game, because the actual LOA process went into effect before we were really completely ready for it, but we got there. I think we are pretty comfortable with it now.

Ms. SHAUKET. And then just addressing the issue of the cost and——

Dr. SNYDER. Ms. Shauket, would you pull one of the microphones in a little closer to you? Thank you.

Ms. SHAUKET. And then just to address the issue of cost to ensure that there is not double billing, because it is controlled by the contracting officer who is issuing the letters of authorization, it is the same contracting officer that is writing and negotiating the contract, so they are very aware of the logistic support that will be provided, and if there is going to be that support provided, then it is not budgeted in the contract. And if they aren't going to be getting it, then we would budget for it in the contract. So we have that kind of control.

Mr. MOTSEK. If I may add just one more thing, I am sorry. You had Mr. Assad up here, I think last week; he may have touched on this. But one of the other things that we—what he has forced into the process, which is extraordinarily important, is that we now have contractor officer representatives (COR) in the theater to manage these things.

For example, we have a COR at the dining facility. The contractor can't grade his own papers. The COR is there.

What Mr. Assad has forced the process into is the contracting officer must now certify the training of his contractor officer representatives. Before it was just an additional duty; if we found you were a warm body you went and did it. Now, the contracting officer, as a direct link, must certify the training of his representatives in the field. That is an extraordinarily huge change from where we were just a couple years ago, and it will pay off in the future.

Mrs. DAVIS. Thank you.

Dr. SNYDER. I know you all have been here a while because of our votes, but we are going to go around another time or two, if we can.

I wanted to ask—you all seem to have a pretty good attitude about this congressional mandate to do this, that it has been productive when you see it going as walking and running—or crawling and walking, I believe was your metaphor, Mr. Motsek.

We are now what the sixth—it has been six years in Iraq and seven and a half years in Afghanistan. Why does it take so long? Why does it take some kind of congressional mandate to say, "Can you all sit down? You know, you have got people running around the same areas in a very dangerous situation."

Why does it take a congressional mandate, because you—and of course, Mr. Motsek, you set yourself up for this question because one of your specific things is, "We urge Congress to let both of these efforts," referring to the Joint Chiefs of Staff task force on dependence on contractors in contingency operations and the Commission on Wartime Contracting started by Congress, you say, "let both those things run out before we develop future statutory direc-

tion," which I think is not unreasonable. But in fact, it was a statutory direction that has you saying fairly warm and fuzzy things about being forced to collaborate with each other. What is going on in your all three's respective organizations that this didn't happen by itself five, six, seven years ago?

And Mr. Hutton, I will let you at some point respond, too.

Why don't we start with you, Ms. Shauket? [Laughter.]

Well, the reason I want to start with you—I actually think DOD—I don't know about Mr. Motsek personally—but I think DOD would have been receptive to other organizations coming in and saying, "We need to sit down and come up with a way to keep our people protected, because I have got contractors in development running around; I want you to know where they are going so that they will be as safe as they can be." I don't think—that is examples of the kinds of things that could have occurred.

So I am asking, I guess, to critique your own organization.

Ms. SHAUKET. Sure. Well, for USAID, we are very used to operating in an overseas environment, but we are not used to operating in a contingency environment, and I think for us that really has been the difference, where we were working in the same environment as the military. Normally we would go in after the military had concluded their mission.

So this has been a very big learning experience for us. Also, at the same time we had huge influxes of resources and we had a mandate to deliver results immediately on the ground at the time that our staffing within the organization was at probably its all-time low. So it created real challenges for us, and I think with the resources that we had we were very, very successful. But certainly it has been a learning experience.

And as security has improved, our implementation and our coordination has improved also. I think it has been a real learning environment for us, which is one of the lessons that we are taking from how we operated in Iraq to see how we can apply those lessons in Afghanistan even though it is a very different environment for us.

Dr. SNYDER. Mr. Moser.

Mr. MOSER. Well, I will say that Mr. Motsek and I actually met in July of 2007 for the first time in a meeting that we had in the Office of Management and Budget (OMB), and we were talking about some kind of joint database in order to do accounting for contractors, because those of us who take these issues about contractor accountability very seriously were very much seized with it. But I must say that in the pressure about the war and in the effort and the immediacy, you know, the administrative details, or the contract oversight, that we all feel is very essential is not exactly on our policy—on our senior policy officials as always the top uppermost in their mind.

Dr. SNYDER. Shouldn't it be, though, if over half of your money—over half of your money is spent on services contracts?

Mr. MOSER. You know, I will defer part of this question.

Dr. SNYDER. I mean, it is not just, like, a waste of money. It is somebody needs to pay attention—do you actually get—is there actually water in the bottle——

Mr. MOSER. Dr. Snyder, I will say this. I will defer part of that question to Gary, but I will tell you this. We have a big—you know, State is very different from DOD because of the size of our operation, and I will give you an example, and I actually have—I am in very frequent contact with the Wartime Contracting Commission, and this is what I am told from them: "You know, we actually do contingency contracts all the time. State Department does them all the time because we have emergency situations all over the world all the time."

So contingency contracting, you know, the developments on this, I told the Wartime Contracting Commission, it is like "Contingency Contracting Are Us," to use a grammatically incorrect phrase, because it is something that my contracting authority does. But let me give you an example of one of the big ones, which was evacuating the 13,000 people from Lebanon in 2006. You know, that was a contingency contract; didn't involve any shooters from DOD or any military personnel on the ground, but was a huge effort.

We do relief efforts all of the time. We evacuate people from other countries all of the time. Some of these only make the papers for a couple days. So that is not anything unusual. As Maureen said, we only had—we have not had this scale where we have been involved with DOD on the field, and it is a different thing.

But in regard to your more specific question about why you should have been doing this, this is where the real distance is for me in DOD. All of my contracting officers that do the major contracts in Iraq sit three floors below me, and if I need to talk to them I go down and see them, or they come and see me.

So the contracts that we have for personal security, or the contract staffs that built the embassy in Baghdad, all of those people, I talk to these people every day. And it is a lot different for me, because one of the things that we have done to try to—to control the situation is that we actually have centralized that contracting authority in the State Department in Washington so that we could keep a better handle of it.

Now, you asked, well, shouldn't you have account of the contractors? Yes, but we have small enough numbers that we could actually do this pretty well through manual systems. And it wasn't the same thing, you know—I always tell—Gary is always bigger. You know, I have 7,000 in Iraq; Gary has 163,000. And so this is where we get into the differences of scale.

Dr. SNYDER. But Mr. Moser, it was not just, can you keep a handle on what everyone acknowledged would be a dramatically smaller number of contractors, it was, given that you have got those number of contractors, can you work with—is DOD aware of where they are and what they are doing to keep them safe? And I don't think—is that where we are——

Mr. MOSER. Well, I think that that is a fair comment, Congressman Snyder. I think that that is a fair comment, but we could have been better on this.

Dr. SNYDER. Mr. Motsek or Mr. Hutton, any comments you want to make?

Mr. HUTTON. I would like to, if I could, first mention, you know, you asked a question about why does it take legislation, and I per-

sonally think—I have been in this town for a few years—that it often takes legislation to put a real sharp focus on something.

Some of these issues we are talking about today GAO has been reporting on. For example, one thing we were looking at was, you know, with respect to DOD, should there be a—you know, there should be a DOD focal point to help execute a lot of these policies and bring them up to Deputy Secretary Lynn to make sure that people are doing the right thing.

I think Mr. Motsek, in that position right now for the last couple years, we see some of that muscle and we see some of that direction. But I do think sometimes it comes from the outside to put some focus.

And I would like to react to something Mr. Moser said, and I think you were just touching upon it from the way I look at it, Dr. Snyder, was that, you know, while the agencies have their own individual contracting operations, the key here, in my mind, and where maybe the MOU is going to get people talking, is that we have got to take a focused, interagency approach to a lot of these things. We have more than one tool of statecraft to execute a mission.

And I think that the fact that we are sitting here, and I think this kind of oversight hearing, quite frankly, puts a little extra energy into the focus again on the importance of this issue and getting the agencies to get together and talk about their needs, their requirements, and hopefully finding the database that fits each other's needs, but one that is going to allow them to be proactive in their management, and not just reactive all the time.

Mr. MOTSEK. I am going to probably echo much of what you have heard. Interagency process hasn't been as effective, probably, in my tenure as I experienced it earlier in my life when I was a serving officer. I frankly saw it better in those days.

So, to be blunt about it, you need a catalyst to make something happen—you either need a crisis or a catalyst to make something happen. USAID was absolutely correct: All of our plans, all of our mental focus, all our processes up to this one was sequential in nature. Win the war, let USAID come in and do their thing, because we are gone. That did not happen. We were operating in parallel lanes with agencies and departments with their own criterias and focus, so it was—the fact that we didn't fight the way we ever planned to doing something, or we didn't go through the reconstruction as we planned.

The size of the operation was beyond anyone's focus. No one, in I don't think any of our departments, would ever have extrapolated the numbers that we have in the theater today, and to be blunt about it, DOD had their own problems managing contractors—our own contractors. We would probably be generally reluctant to take on what we would perceive as a management responsibility for someone else. So there is that inertia inside of our own bureaucracies that would state that.

For us, two things happened: We had a meeting at OMB in 2007, and then we had our private security contractor issue that blew up between State and DOD. And those two things were the catalyst that literally forced us together, and we—since that point in time,

I have got to tell you, it has worked well. So from my perspective, the MOU was a continuation of what we were working——

It put some bounds on us, by the way. You know, it gave us some focus. I am not against more legislation, by the way; it is major legislation that I am worried about because we, quite frankly, have been running nonstop trying to implement what we have been directed, and we really haven't had a chance to get our—to catch our breath. We almost need an operational pause so that we can collectively do what we think we have been told to do up to this point, because the GAO is absolutely correct: We are grinding through this stuff, but no one is every happy with the speed that we grind through it.

Mr. MOSER. No. And I think that that is fair. And as Gary said before, we do—we are all three involved with the Wartime Contracting Commission, and we really do want to see them take a more reflective approach, and one thing that the three of us have already discussed is that we really do want to use what we have done in Iraq and really make that instructive; in other words, to not repeat in Afghanistan—when we have a build-up in Afghanistan, to not make some of the mistakes that we did make in Iraq.

And I think that you try to take advantage of where you had problem areas in the past, and GAO has been helpful in that process as well.

Dr. SNYDER. Mr. Wittman.

Mr. WITTMAN. Thank you, Mr. Chairman.

I think those are interesting points, Mr. Motsek and Mr. Moser, that you bring up, and that you point out that with the speed under which things have been pursued, that it would be nice to slow down a little bit and kind of figure out what is happening and to be able to learn from that. With that, do you see a need, then, to do sort of a comprehensive reevaluation of the use of contractors for contingency operations?

And look at that standpoint and then, Mr. Motsek, you talked about sort of the hesitancy about legislation, but I pose this question: Do you think there may be the need—if you have a chance to go ahead and reevaluate or look at what is going on, what is working, how these pieces are coming together from previous legislation—do you think that there might be a need for legislation or policy changes that might be needed to facilitate or improve the management and oversight of contractors in these contingency operations?

Mr. MOTSEK. Well, I can't disagree fundamentally with anything that you said. The challenge that we have is, inside of DOD, is that the secretary has directed the chairman to do an in-depth analysis. In other words, we are where we are, and we have three sources—we have three fundamental sources of resources to do any mission in the battlespace: We have our military force structure, which is set by rank, by number, by everything; we have a government-civilian workforce, which is capped at a particular number; and then we have the contractor side of the house, which is flexible, to be blunt about it, because it is resource-driven.

My argument to you—or my discussion with you—is that we do a heck of a good job working the military piece. We are Nth degree detail. But what we have not done to the same fidelity is work the

DOD-civilian piece—the government-civilian piece—which has still remained out of focus when we have about 9,000 of those folks sitting in Iraq, and the contractor piece. We are where we are because of the force structure requirements that were placed upon us.

So the chairman is trying to take a clean sheet, saying, "Based upon all the missions that the department has, based upon the requirements and log, based upon a variety of requirements, what do I need in each bin?" And what will eventually happen is that you will do as much as you can in the military bin, then you have to default to the other two.

What I have urged and the DOD comptroller has embraced is that we ought to be doing this in DOD in the Quadrennial Defense Review (QDR) process. Now, we do a Quadrennial Defense Review where we are supposed to be looking at these big resource issues. And we said in our national defense strategy that we had three components to our force: military, civilian, and contractor. And yet, we have always concentrated on the military piece.

And to my astonishment, and I am very pleased to see, the new comptroller said, "No, we have got to look at the other two pieces as well as we go through the QDR process." So he is championing that on, frankly, Acquisition, Technology, and Logistics' (AT&L) behalf, and I can only applaud that.

So that is a major step. I will tell you that we probably would not have had that step had we not had the 861 MOU in place, had we not been engaged, had I not prepped him for his testimony for his confirmation hearing about these issues. Something took, something engaged him, and there can be only be goodness, in my mind, coming out of that.

So I agree 100 percent, but at the end state, it ends up being a resource-driven exercise, whether you like it or not.

Mr. WITTMAN. Mr. Moser.

Mr. MOSER. I think that we are going to continue to need contractors to handle contingency operations. We don't know where they are going to come; we are better off now than we were at the beginning of the Iraq conflict because we now have our Office of Crisis Response and Stabilization. That is an institution within the State Department that is, in the future, supposed to coordinate the interagency platform and try to do a better job to address these issues, so that part is there.

But I will tell you, Mr. Wittman, that basically there are a lot of—the functions that we are having the contractors do in Iraq right now are not the ones that we really want our diplomatic core to do. And basically, we see that being the same in any kind of operation like this in the future. And that is not a bad thing. That is not a bad thing, but given, you know, the will of the administration and the will of Congress, we will have to use contractors to supplement things that are not part of our core workforce.

Mr. WITTMAN. Mr. Hutton.

Ms. SHAUKET. For USAID, we have our contractors and grantees as a core part of the delivery of our mission. We don't actually implement the programs ourselves, but we have our partners implementing our programs. If we were to do away with the contracts, we would have to fundamentally shift the way that we are

resourced as an organization so that we would have the direct hires to be able to implement those programs.

Right now, we have 10,000 contractor and grantee employees in Afghanistan, and we have over 4,000 in Iraq. So it has been a fundamental shift in resources for us.

Mr. WITTMAN. Let me ask just your thoughts: Do you think there are things that could be done to improve the management and oversight of those contractors in these contingency operations, just from your experience?

Ms. SHAUKET. Well, certainly we have learned a lot. Oversight has been a challenge in areas where Americans cannot go. We have learned a lot from that; we collaborate very closely with the military on the oversight of our programs.

We have instituted contracts to do monitoring and evaluation. We work very closely with the Inspector General's Office to try to ensure that we are covering our bases and that we are doing due diligence with the taxpayer funds.

Mr. HUTTON. Thank you. You are right, contingency contracting and the issue of getting visibility on the use of contractors—the controller general in the past has talked about, you know, looking at even broader than that for an agency, the use of contractors. And, you know, it is really, as we are talking about all these service contractors, they are all a lot of these individual decisions. You know, where is that strategic look?

And, you know, things such as, you know, to what extent are we using them? What are we asking them to do? How are we using them?

Is that where we want to be? If that is not where we want to be, then how are we going to get to where we want to be, in terms of use of contractors?

We talked about the total force in many different ways here, I think. You know, I keep my ears pretty sharp when I hear discussions talking about how agencies accomplish missions, and the word I am always waiting to hear is do I hear the word "contractors"? And I would think that as you have your oversight hearings, that is a little thing I do for myself just to see if it is ingrained in the thinking.

I do think that we are seeing more and more discussions. I think the opening comments, we talked about, yes, we are reliant on contractors, so we have to think about them. And how do we better manage them, and are we using them the way we need to use them? Are we, you know, protecting overall the government's interests?

So, I think, you know, GAO in the past, while this is a huge important issue here, we have also talked even broader. Not just DOD, but other agencies.

Dr. SNYDER. Ms. Shauket, you, in your written statement at least, mentioned a couple times from the perspective of you and USAID, you see dramatic differences between Iraq and Afghanistan. I need you to explain that to me.

Ms. SHAUKET. Well, in terms of the support that we receive from the military, when we are working in Iraq, then we are relying a lot on the military for movement of personnel and for tracking of personnel, and initially we had the cafeterias that everyone was

going into. In Afghanistan it is very, very different. Our contractors are out in the local communities; they aren't behind any walls. And they are working in some areas where there is no military presence. So it is really a very different environment for us.

Dr. SNYDER. Mr. Motsek, I might have told you this story before. In my office we call it the story of Barney the contractor. Barney is one of my constituents—Barney Morris. And in fact, he wrote this op ed about this incident, but I wanted to describe this incident that occurred.

He gives me credit for it, but my only credit was I managed a—I was able to manage my congressional office in such a way that we paid the phone bill and the phones kept operating, because that was my only role in this. But this was back in 2004. It was a Friday afternoon. My staff member—I was back and had headed for the airport, but my military legislative assistant happened to answer the phone, and it was Barney's girlfriend in Little Rock saying she had just gotten an e-mail or some kind of a message from Barney in Iraq, and her feeling was that he was really in trouble.

And he was a contractor, was in a sector that was controlled by Ukrainian troops, the al-Sadr forces were attacking them, and she implied—I think she actually thought he was calling to say goodbye, that it was not going at all well. So my staff member picked up the phone that I helped pay the bill on, because I am a member of Congress—just teasing; I didn't have anything to do with it—he picked up the phone and called the local Coalition Provisional Authority (CPA), and it wasn't very long at all before a call came back and the answer was something like "Congratulations. You just called in an airstrike," which goes back, I think, to the Haiti operation where somebody found a payphone to call an airstrike.

But in fact, what happened, Barney feels very strongly that because of that communication, that a couple hours later a couple of helicopter gunships went in and we were able to protect them until the next morning they got them out. That is a really shabby way to run a war. They couldn't convince people that there was a problem in the Ukrainian sector.

So my question is, given what has occurred now, do we feel better about the possibilities that our contractors are safer in Iraq and Afghanistan because of the communication and collaboration that you all are doing?

Mr. MOTSEK. I can't talk about Barney.

Dr. SNYDER. I understand. And he would be embarrassed that I am talking about him.

Mr. MOTSEK. I commend his initiative, by the way, but I can't talk about Barney. But let me talk in a more general context from our perspective in 2004. The best way I can put it is, I met with the third Division Support Command (DISCOM), regional support command commander. He has a—at that time, under the organization of the Army, he had about 8,000 troops under him and he was part of the initial fight in Iraq.

And one of his comments to me—and this is when I still worked in the Army—was, "You know, your Army supported me great; they did a wonderful job. No one told me that by the way, besides my 8,000 troops I had another 4,000 contractors I was responsible

for from day one." He did not know that, and of course now it is a 50–50 ratio.

So during Barney's time, I will tell you that we, as a department, didn't do a very good job teaching our leaders, because frankly, we were every bit as surprised at the numbers that showed up in the battlespace. And we shouldn't have been surprised, because Bosnia has always been a 50–50 ratio, so if we had extrapolated off of Bosnia we might have known better.

So going back to what Mr. Moser had said earlier, the lessons learned pieces is probably the most critical piece. Today, there is not a brigade commander that hasn't been there before, does not understand that he has the responsibility, from a force protection issue, of not just military but x-thousands of civilians and government employees. And that includes our other agencies, because on the ground they have broken that code.

We try to institutionalize that training, because this is not the school of hard knocks. We got the Military Education Coordination Council, which handles the joint training requirements for the chairman, to make this a special area of emphasis. So now, in other words, when the chairman goes out and reviews the schoolhouse of the departments—the services—one of the areas he is going to be looking for is, are we training our future leaders—our future brigade commanders, future wing commanders and the like—about the responsibilities of managing these contractors on the battlespace?

Joint Forces Command today stood up an online program for a pre-deployment course, which is a direct outgrowth, by the way, of the GAO's criticism of us for not having adequate pre-deployment training for these folks institutionalized. There is now an institutionalized course that is out there; it is riding on the Joint Knowledge Online program, so it is behind the firewall, but it is there and it is processing that.

So in 2004, we had not, as an institution, taken our hands to understand the responsibilities associated with everyone in the battlespace. That is changed today. We have learned that lesson; we have learned it the way you would see it in the hard knocks, quite frankly.

Dr. SNYDER. Mr. Wittman?

Mr. WITTMAN. Thank you, Mr. Chairman. Just to follow up on that, I think it is interesting that, you know, you all have pointed out that obviously Iraq and Afghanistan are two very different places. We have learned some significant lessons in Iraq. Obviously we are having the challenges in Afghanistan unfold in front of us.

The question is, the lessons that we have learned in Iraq—how translatable are they to Afghanistan? What are the challenges that we will face in Afghanistan? And can we anticipate how to overcome those challenges based on knowing some of the challenges that we have been through in Iraq?

Mr. MOTSEK. If you don't mind, I will go first very quickly. Just one example: As you know, we have created the Joint Contracting Command (JCC) that sits in Iraq to manage contracting across the area of operation. Central Command (CENTCOM) is in the process of making a final decision to move that. The value of the Joint Contracting Command, which we, by the way, have institutionalized in

our—so he has already—CENTCOM is already changing the force structure of those folks that manage contractors, and they are weighing the fight in the Afghan location—the contractor fight, if you will.

That will probably mean—in fact, I can't say with certainty, but I am pretty certain—that the flag of that headquarters is going to move. It is going to move. General Petraeus clearly sees the value of that. He developed a very, very good working relationship with the commander of JCC. It is another good example where Congress has done something and we were kicking and screaming, but we did it, and it turned out to be the right thing.

In Section 854 in 2007, you said that you have to have one flag or general officer responsible for contracting in the region, and that guy has to report to the combatant commander. He doesn't report to the chief of staff; he doesn't report to the J–4; he reports to the combatant commander. Based upon what I see now with General Petraeus, I mean, he has embraced that.

You had General Scott here last week; Admiral Dussault, who was his replacement, just came back a few weeks ago. I mean, they are in the hip pocket of the combatant commander. That would not have happened, I am certain, had we not been mandated by law to do that. So that, you know—I can whine about being told what to do, but the reality is, there have been some good things that come out of it.

But that simple shift to Afghanistan is happening, and we are not waiting for the numbers to change, we are shifting in anticipation.

Mr. MOSER. I think in two very important ones. You know, we have major programs with our International Narcotics and Law Enforcement Bureau (INL) in both Afghanistan and Iraq. There have been problems early on in the Iraq conflict about oversight problems. There was a 30-position staff-up in INL staffing. Mr. Bowen, the special inspector general, has pointed out the swimming pool that was built incorrectly under a contract. I can guarantee you those kind of mistakes will not be repeated because people in the State Department have really taken the contract oversight part of that very, very seriously.

I will give you another example: Our whole relation to private security contractors in Iraq, and if the function does plus-up in Afghanistan, it is getting tighter and tighter. After the Nisour Square shooting in 2007, Mr. Kennedy, currently our Under Secretary for Management, did an extensive report about how we increased the oversight of these contractors. That report's recommendations have been pretty much wholly implemented, or we felt like that the reason for implementation had been overtaken by events. And you are going to see that kind of focus.

Now, to get to one that is important to me, because I really do care about this stuff, I am going to make sure as we ramp up in Afghanistan that we count every vehicle and every piece of capitalized property that the contractors hold, because I am tired of getting a tough time from my external auditor about contractor-held property. Now, those are the kinds of things that are really important to me because those are things that I am directly accountable

for. And so yes, I think I have learned my lesson and I want to make sure I don't get in trouble again.

Mr. HUTTON. I think we have heard some good examples of how lessons learned are—at least we are thinking about Afghanistan, and we now have some operations and things in Iraq that we can maybe transfer. But the thing that I just want to at least put out on the table—and this is something I observed early on, first there in 2003 in Iraq—was, you know, where we make sure that we have sufficient numbers and sufficiently-trained contracting people and the oversight people.

When I was doing the work in Afghanistan back in 2004, 2005, one of the things we found was that—I believe it was USAID contracting officers—when you just look at the dollars that they had a manage of the contracting officer, per person, they were huge. Now, that is not a great metric, but it at least gives you some insight as to the workload. The thing that you want to avoid is having so few staff that you end up doing these quick, urgent, and compelling type contracts where you don't have sufficient time to do some decent acquisition planning and get a little competition and things like that.

So I would just, as we are perhaps putting some more emphasis in Afghanistan and we talk—we have heard about some of the new initiatives, and I think they are all in a positive direction, I would be looking to see, well, how are we doing on just the sufficiency in the trained contracting and non-contracting personnel.

Mr. WITTMAN. Ms. Shauket.

Ms. SHAUKET. I would agree. For us it is really an issue of resources, and the amount of our staff that are working on the Afghanistan and Iraq programs has been significant.

I think a difference was when we first went into Iraq we had staff dedicated both in the field and in Washington to just issuing all the contracts. Contracting officers around the world pulled together to do that.

We can do that in the short term; it is very hard to do it in the long term. Right now we have the seven contracting officers, five in Kabul, and we have additional contracting officers supporting out of Thailand. But we need more resources in order to be able to do this right, and we need more and better-trained contracted officers, technical representatives, as well.

It is a very different environment for us and for our partners when we are in Afghanistan. We have had 407 of our contractor personnel killed in Afghanistan compared to four in Iraq. That is a significant number.

The challenges for us are very, very great there, and we need to recognize that we continue to try to compete to bring in new organizations, but there are very few that are going to be operating in those environments. And so we need to ensure that we have the resources to do the proper oversight.

Mr. WITTMAN. That is very, I think, timely. I know that Secretary Clinton is at a conference talking about aid to Afghanistan and Pakistan. In fact, her comments just yesterday are, "We are going to have a concerted effort within the State Department and USAID to reform the process." She also said, "I am very committed

to it. I know that it is a challenge because we are dealing with decades of practice."

So it does seem as though there is an acknowledgment there, and a real emphasis on making sure that that part of the process gets the kind of attention that it deserves. So I appreciate what you all are doing to bring all of the different pieces of this together. I think it is a Herculean challenge at best, and I appreciate the efforts that you all are putting forth.

And, Mr. Chairman, with that I will finish my line of questioning.

Dr. SNYDER. Thank you.

Mr. Motsek, and we talk about—you are not interested in major pieces of legislation, and Congress would understand that. For each of you, including Mr. Hutton, what do you need from us? In fact, why don't we start with Mr. Hutton, just to change the order here?

Mr. HUTTON. Well, quite frankly, I can't think of any of our work right now where we have been pushing Congress with one of our recommendations or matters of consideration. I think this type of forum and having this type of dialogue, getting folks up here talking about what they are doing and bringing some light—good questions that we are getting here—this type of oversight, I think, helps keep pushing it along.

You know, the thing I want to guard against is that maybe some of the positive steps we are taking aren't because of the personality-driven. I want to make sure that there is processes in place and there is going to be something sustainable about it.

And I do think there has, over the last couple years, based on the work that we have done, there has been some pretty big steps here, and I mentioned some of them today, but I think it is no time to kind of take our eye off the ball, and I think a forum like this is a very productive thing.

Dr. SNYDER. Ms. Shauket.

Ms. SHAUKET. Well, you have recognized that we are different than our colleagues here at the table with us. USAID is a very small organization. Our resources are limited.

We appreciate the understanding that you have had in realizing the challenges that we have had to implement the SPOT system. We will continue to devote ourselves to it, and we are committed to it. And we appreciate your continued patience as we do resource in order to be able to meet these objectives.

Dr. SNYDER. Mr. Moser.

Mr. MOSER. Congressman Snyder, I think that the main thing that I would ask you for is that we would appreciate Congress' continued interest in these issues, because if—you know, we have our own budgetary process which goes to OMB and the President, and we definitely respect that, but we do want to make sure that the whole issues about contractors and how—our relationship to contractors and how we use them effectively. It continues to be a talk that Congress is involved in, because we really do need that input, I think, from Capitol Hill, in order to make the best decisions—the best decisions for the U.S. government.

Dr. SNYDER. Mr. Motsek.

Mr. MOTSEK. Sir, actually, he means legislation.

Mr. MOSER. He always does.

Mr. MOTSEK. Four areas, sir. One is resourcing. The dollars and the resources that we are talking about with all the issues we have laid on the table with you are very, very modest. But because they are so modest, they get lost in the noise of the big department. So unless I have someone here providing eyes on the target and making sure that we are adequately resourced, we are going to have a challenge.

Virtually everything we have done up to this point has been funded via supplementals because that was the fastest way of doing business. We have to be able, and we need your help, to get that transition into base budget language and base budget resourcing.

The second issue is the threshold that we report things. We talked about in the MOU, it is $100,000; there is actually other pieces of legislation that talks about $25,000 threshold to put things into the system.

Dr. SNYDER. $100,000 was not by statute, correct?

Mr. MOSER. No, it is actually in the statute.

Mr. MOTSEK. It is in the statute. I believe it is. I know it is in the MOU, so I——

Let me just say it is in the MOU. What I would say is that we have talked with staff up here before in both houses, and realistically, that is an—the $25,000 is clearly unobtainable. There is too much churn.

What we have proposed and we are going to ask is for some help to raise that threshold to $250,000, 30 days or less, because otherwise there is a churning, and most of that work is really more vendor deliveries than it is actually hiring of contractors. And that churn will let us become more accurate with what we are doing.

Third thing we need a little help on is on definitions, because in different parts of the statutes, when we talk about contractors, are you talking about contractors with a bona fide contract? Are you talking about Cooperative Research and Development Agreements (CRADAs)? Are you talking about grants?

We need consistency across the board so we understand exactly what we want to measure. We know what we want to measure, but when you go into the interdepartmental side of the house, we need some sort of standards.

The last thing I would ask you to consider is—and we have talked around it a couple of times—is that you are talking about the "big three" inside of the area of operation, but we are not the only agencies with folks in there. So it may be wise for you to police up the other agencies and say, "You know, you ought to be reporting your numbers as well."

We have got to defend them; we have got to feed them; we have got to protect them in Iraq, and they are in the battlespace in both locations, so you may want to consider to pick up those 240-plus Justice Department contractors that are out there, by directing us to do that. Because again, it took statute to force into the MOU. I can't speak for the rest of, you know, the government, but I suspect it is going to require the same thing to piece it—to pick up the smaller pieces.

Dr. SNYDER. Mr. Wittman, are you—do you have any further questions? I have a couple more I wanted to ask.

Mr. Hutton, how accurate is SPOT?

Mr. HUTTON. I will answer it this way: Right now SPOT has the capability to bring in different data. For example, a year ago they couldn't track SPOT casualty—contractors killed. There is a capability now, but it is not live yet in terms of—I think there just might be starting to populate——

Mr. HUTTON. Right. But I am talking across the board for all three agencies, so I think that was a big change.

Some of the contracting information, they are now—I think they now have the capacity to bring in some data through the federal procurement data system. I think that is something that, if you were to look into it right now, I don't think you would see it fully implemented in that way, but I think you have the capacity and the capability to do it right now.

Our work last year and this year, where we have been required to identify the number of active contracts, dollar values, descriptions of the contracts, number of personnel in the areas of responsibility that we are talking about, Iraq and Afghanistan—as we are doing our—last year SPOT wasn't going to get us there; this year SPOT is—right now it is not going to get us there because it is just not ready yet.

Hopefully it will be when we get around to our third year, because it is pretty data-intensive for us. It is basically casting out a large net. DOD has given us multiple spreadsheets and things like that for information. USAID, I think last year a lot of it was manual, State as well.

So right now I don't think I could go to SPOT and be able to report on our objective as part of Section 863, but I think just in 1 year the capability of SPOT—and then we talked about the letters of authorization—that is huge, I think, because that is leverage, that is something that is going to—one, you have to have it. So you are going to get into systems; contractors have to put in systems. So that is a big thing.

But I don't think right now I would say that is accurate enough. I think we are still going to use the census data on the personnel for DOD, and I know State and USAID, particularly in Afghanistan, you know, there is going to be the queries of the contractors, things like that. So I would say that is the current status.

Dr. SNYDER. My last question is, I think it is important to ask one question that there is no way we would see it coming, so it is going to be directed to you, Mr. Hutton.

You were a National War College graduate in 2002, spent—was it 10 months there, or about a year? How did you think the last 5 or 6 years—like, perhaps this topic today—how has your analysis, how has your work done at analyzing this topic, following this along, how has that been impacted by the experience you had with, I assume, probably 14 or 15 uniformed people, spending 10 months with them at the War College?

Mr. HUTTON. Well, it is a great question, and it is quite larger than that. We had a fairly large State presence, some USAID, very large DOD, plus some international fellows. It is also interesting the fact that I was there at 9/11, and it was—I still have a lot of those memories then, because, you know, we immediately started talking about what we were going to be doing in Iraq and Afghani-

stan, and it was interesting to watch the interagency discussions going on.

And I think an institution like the National War College, where you bring people in—and I understand that even for some of the other things we are talking about today, we are trying to put more information into the service academies and things like that, understanding that contracts are often the way the government executes its mission, so we ought to be thinking about contracts. It is just not something that, you know, you don't have to manage so you don't have any insights on, and things like that.

But I would say institutions like the National War College, where you get the different institutions talking about these issues, and over time I think it is getting ingrained—I mean, they have been doing that for many years; it gets ingrained into the psyche of the participants, and networks are created, and I think it is a very positive—one aspect, but a positive aspect to encourage——

Dr. SNYDER. I was out at the—several of us were—Dr. Fenner and some others were at the Industrial College of the Armed Forces yesterday morning, and one of the things that came out in my informal meeting with about 10 students was, they—there, they divide them into groups of 16 and they stick together for that period of time, and the groups that did not have somebody from USAID or the State Department were very, very envious of those groups that did have one person, and they recognized the problem was this—we have talked about that they have a staffing issue that, you know, just don't have a float that you can say, "Yes, we can send over 20 people for a year every year." You just, you can't—you can't do that, so these issues interrelate.

Mr. HUTTON. Dr. Snyder, if I may say, though, that experience—I think it is a great institution, but the best part of it was that I don't think I have ever been around such great Americans across the interagency, and it was really valuable to experience. And it gives you a lot of, you know, excitement, I think, about the type of talent that is in government. And I think it is just a matter of, whether it is a SPOT database or something else, getting the interagency process to function better, and I think things like that will help.

Dr. SNYDER. Only a person from GAO would say they get excited about the SPOT database. [Laughter.]

I think what is interesting, too, and it is some difference from when you were there in 2002 is, there is—everyone has already bought into the idea that the interagency has to work closely together, in view of our experiences over the last several years. And I think that is important.

I appreciate you all being here. I am sorry we got delayed on votes, and it enables me to go home and tell my little 2-year-old boy that I spent all afternoon talking about SPOT.

So, we are adjourned.

[Whereupon, at 3:42 p.m., the subcommittee was adjourned.]

A P P E N D I X

April 1, 2009

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

April 1, 2009

Opening Statement of Chairman Vic Snyder

Subcommittee on Oversight and Investigations

Hearing on "Coordinating Contract Support on the Battlefield: Defense, State, and USAID"

April 1, 2009

This hearing will come to order.

Good afternoon and welcome to the House Armed Services Oversight and Investigations Subcommittee's second hearing following up on specific legislation related to contingency contracting and the acquisition workforce. Today's hearing will focus on the implementation of Section 861 of the National Defense Authorization Act for Fiscal Year 2008, which required the Department of Defense, Department of State, and U.S. Agency for International Development to sign a Memorandum of Understanding regulating contracting matters in Iraq and Afghanistan.

This subcommittee has been interested in interagency cooperation in Iraq and Afghanistan for over two years, and contracting is an important piece of that. Earlier this year, Secretary Gates told the Senate, "We have not thought holistically or coherently about our use of contractors, particularly when it comes to combat environments." In April 2008, in a full committee hearing on the Gansler Commission recommendations, Chairman Skelton noted the Commission's suggestion that there ought to be an Integrated Expeditionary Command to coordinate contracting with a "whole of government" approach. Just last week, Major General Darryl Scott, the former Commander of the Joint Contracting Command-Iraq/Afghanistan, gave us several specific examples of contracting projects where interagency

cooperation broke down, resulting in waste of taxpayer dollars. And finally, as I mentioned at last week's hearing, DOD spends over half of all contract dollars on services contracts and smaller items versus Major Defense Acquisition Programs.

Section 861 mandated that the agencies with witnesses before us today negotiate and agree upon a Memorandum of Understanding, which they did in July 2008. We are here today to see how well they have done in implementing the MOU. The MOU was intended to increase visibility across agencies and to enhance our ability to track contracts and contractors: to know where they are, what they are working on, how much we are paying them, and how that work is proceeding. The MOU also provides a framework to ensure that contractors who are traveling though the battlespace do so safely, and that any contractor who commits a criminal act is prosecuted to the fullest extent of the law by the appropriate agency. Ultimately, the real purpose of this MOU is to help all our men and women in these wars – both in and out of uniform – accomplish the often difficult and dangerous missions that we have asked of them.

The witnesses we have with us today are at the front lines of making sure this kind of coordination happens, and we look forward to hearing from them. They are:

- **Mr. Gary Motsek,** Assistant Deputy Under Secretary of Defense for Program Support.
- **Mr. William Moser,** Deputy Assistant Secretary of State for Logistics Management.
- **Ms. Maureen Shauket,** Director of the Office of Acquisition and Assistance and Senior Procurement Executive for USAID.

- **Mr. John Hutton,** Director of the Acquisition and Sourcing Management team at GAO.

Thank you all for your willingness to be here with us today. After Mr. Wittman's opening remarks, I'll turn to each of you for a brief opening statement. I hope that you will address the issues I have mentioned, and tell us where you have been successful and what challenges you are facing.

On an administrative note, I'll remind our members that we will use our customary five-minute rule today for questioning, proceeding by seniority and arrival time.

With that, let me turn it over to our Ranking Member, Mr. Wittman, for any comments he would like to make.

Statement of Ranking Member Rob Wittman
Subcommittee on Oversight and Investigations
House Armed Services Committee

Hearing on Coordinating Contracting Support on the Battlefield

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April 1, 2009

Thank you, Chairman Snyder, and good afternoon to our witnesses – we appreciate your being here today.

In our hearing on contingency contracting last week, Army and Department of Defense officials described the changes that DOD has instituted to improve management of service contracts in contingency operations. Indeed, DOD's response to the Gansler Commission recommendations has been comprehensive and is beginning to have the desired effect. We will continue to watch closely to make sure that today's urgent lessons are not lost in future contingency operations none of us can now foresee.

Today's hearing is about the next step. Namely, integrating and coordinating the efforts of all elements of the federal government to ensure unity of effort in a contingency operation. While a seamless, efficient

federal effort is a laudable goal, we should recognize that this standard will be difficult to reach. We are not close to solving interagency coordination here in peacetime Washington, DC, a far easier challenge than figuring it out under fire in a sovereign foreign nation.

Afghanistan and Iraq are the first major conflicts in which we've expected the civilian side of government to perform duties and deliver services in non-permissive or hostile environments. It's understandable that our acquisition system is disjointed, since we are literally experimenting as we go with new ways to meld the capabilities of the various elements of our federal government. We recognize that the State Department operates through the ambassador, the Department of Defense through the combatant commander, and US AID is semi-independent. But, because our new joint interagency way of operating promises better results, as we've seen in Iraq, it is even more urgent that we sort out clear lines of authority for US government activities in contingency operations.

I'm less concerned with dictating a single computer system or contracting method than in insuring the responsible officials on the ground, be they military or civilian, know what contractor is responsible for what

services and what contractors they are responsible to support. I'd like to hear common sense solutions for the practical operational issues our deployed military and civilian leaders face in the field. I'm confident we can make substantial progress, if not entirely fix this problem, and we in Congress must do our part to rationalize the maze of authorities the various agencies possess for nation building efforts.

Our witnesses are experts in this area and I look forward to their testimony.

[Yield to Chairman Snyder]

TESTIMONY OF

MR. GARY MOTSEK

ASSISTANT DEPUTY UNDER SECRETARY OF DEFENSE

OFFICE OF PROGRAM SUPPORT

OFFICE OF THE UNDER SECRETARY OF DEFENSE

(ACQUISITION, TECHNOLOGY & LOGISTICS)

BEFORE THE UNITED STATES HOUSE OF REPRESENTATIVES

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS,

COMMITTEE ON ARMED SERVICES

April 1, 2009

Chairman Snyder, Ranking Member Wittman, and Members of the Committee, thank you for the opportunity to appear before you today to discuss improvements we have made with respect to contingency contracting management and oversight, and our way ahead. At your request, I will highlight our progress in the implementation of the interagency Memorandum of Understanding (MOU) regarding contracting in Iraq and Afghanistan, as required by Section 861 of the National Defense Authorization Act for Fiscal Year 2008. My testimony will expand upon the information included in the report required under paragraph (d) (2) of Section 861, which was submitted last month.

As you know, the Department of Defense (DoD) established my office, the Office of the Assistant Deputy Under Secretary of Defense for Program Support, in October 2006 to oversee DoD efforts to comply with congressional direction set forth by Section 854 of the Fiscal Year 2007 National Defense Authorization Act. As required by Section 854, we are revising and developing new joint policies in each of the three areas designated – requirements definition, contingency program management and contingency contracting. Before I cover our status on implementing Section 861, I'd like to begin by providing an overview of some of the broader efforts we currently have underway.

First, to provide oversight and synchronization of the implementation of all the operational contract support efforts, I, along with the Vice Director of the Directorate for Logistics, Joint Staff, J-4, have institutionalized the "Section 854 General Officer Steering Committee (GOSC)". The GOSC consists of Military Department representatives and defense agency senior procurement executives who meet regularly to oversee and synchronize the implementation of joint policies developed under section 2333 of title 10.

Secondly, to ensure we have a single in-theater program manager providing oversight and management of contracts and contractors, we have

institutionalized a planning and coordination structure for future contingencies. This organization, the Joint Contingency Acquisition Support Office (JCASO), is building the capability to perform program management and operational synchronization of all theater related contracting support efforts. On October 20, 2008, DoD fielded the provisional JCASO organization, thus meeting its end of FY 2008 target goal ahead of schedule. We have developed a concept of operations for the JCASO and have begun exercising the concept. JCASO conducted a pilot implementation of the concept during EUCOM exercise Austere Challenge in April 2008 and will take part in two more exercises this spring: Exercise Terminal Fury '09 and Exercise Austere Challenge '09. Full Operational Capability (FOC) for the JCASO is scheduled at the end of the 1st quarter FY 2010. It can, if necessary, provide the combatant commander the initial "Joint Contracting Command" (JCC) capability. We will, in the future, have a JCC for all major contingency operations with the senior officer reporting directly to the combatant commander.

Thirdly, to assist the Geographic Combatant Commanders in reviewing requirements and identifying gaps where contractor support capability may be needed, we have allocated fourteen (14) Joint Operational Contract Support Planners (JOCSPs) among the commands. These planners are helping to integrate required contractor support into plans and synchronize requirements with subordinate commands, the Military Departments, Defense Agencies, other U.S. Government (USG) Agencies, and coalition partners. To date, the planners have reviewed Operational Plans and Concept Plans in each of the commands and are developing an overarching template for an operational contract support annex to be included in the plans. DoD held the second planners' conference in February 2009 which included representatives from all the geographic combatant commands, the joint staff, and service staffs. To insure transparency, we also invited representatives from the Commission on Wartime Contracting and the Government Accountability Office (GAO). The GAO is in the process of

reviewing our efforts that incorporate operational contract support into the different plans.

Finally, we are also making good progress in our transition from manual accounting of contractor personnel to the use of the SPOT tool to track contractor personnel and contractor capability in theater. In August 2008, the U.S. Central Command published a fragmentary order requiring that contractors be registered in SPOT and that those contractors authorized government furnished services obtain a SPOT-generated letter of authorization. These efforts have resulted in an increase of 68,000 (85,000 to 153,000) DoD contractors registered in the USCENTCOM AOR since August. This number reflects about 60% of the contractor population (virtually all U.S. and most third country nationals) reported in the 1st quarter 2009 CENTCOM manual census. Figure 1 is a screenshot from the SPOT webpage illustrating the growth in deployed contractor registrations since the publication of the USCENTCOM guidance. Our interagency partners have also made good progress in registering their contractor personnel. DoS has over 7,000 contractors providing support in Iraq and Afghanistan currently registered. USAID has registered approximately 500 contractors performing work in Iraq.

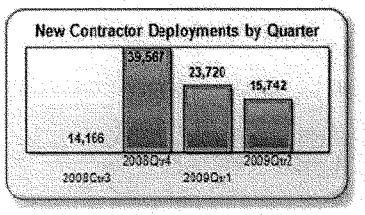

Figure 1

Figures 2 and 3 are screenshots from the SPOT webpage illustrating how contractor movement is tracked using the tool.

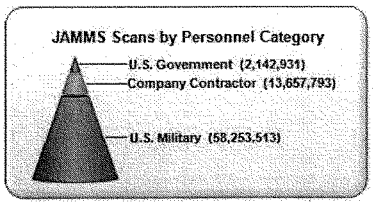

Figure 2

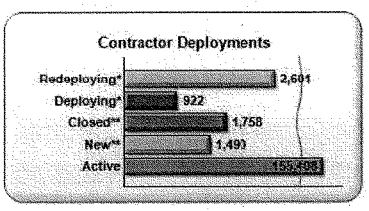

Figure 3

In order to better track third country national and local contractors, we have integrated SPOT with the Biometric Identification System for Access (BISA), an access control system that was already being used extensively in Iraq. To date we have reprinted 60,000 of the 122,000 BISA badges in order to add a barcode that can provide movement transactions to SPOT. As the remaining BISA badges without an interoperable barcode expire, they will be replaced with a badge containing this feature.

Section 861 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2008 (Public Law 110-181)

Now let me return to our implementation of the requirements of Section 861, which are an important part of the larger effort. Section 861 requires the Secretary of Defense, the Secretary of State, and the Administrator of the United States Agency for International Development (USAID), not later than July 1, 2008, enter into a memorandum of understanding (MOU) regarding matters relating to contracting for contracts in Iraq or Afghanistan. The MOU was to address: (1) Identification of the major categories of contracts in Iraq or Afghanistan being awarded by the Department of Defense, the Department of State (DoS), or the United States Agency for International Development (USAID), (2) Identification of the roles and responsibilities of each department or agency for matters relating to contracting for contracts in Iraq or Afghanistan, (3) Responsibility for establishing procedures for, and the coordination of, movement of contractor personnel in Iraq or Afghanistan, and (4) Identification of common databases that will serve as repositories of information on contracts in Iraq or Afghanistan and contractor personnel in Iraq or Afghanistan, including agreement on the elements to be included in the databases.

In July 2008, DoD, DoS, and USAID signed the required MOU which established roles and responsibilities and identified the Synchronized Pre-deployment and Operational Tracker (SPOT) as the common database. We have developed a closer working relationship with our colleagues at DoS and

USAID and, since July, we have made steady and significant progress in our implementation of the MOU.

In order to determine the best way to implement the requirements of Section 861, we conducted extensive analysis on the individual elements. We identified 12 separate requirements. Two of these requirements were already being met by the SPOT system and a further six requirements could be met through added functionality to the SPOT tool. The remaining four requirements required clarification of roles and assignment of responsibilities which could be met through the update of policies and implementing guidance. Let me now provide a bit more detail of these requirements.

The eight requirements that are met by SPOT are listed below:

NDAA 2008 Section 861 Requirements Met By SPOT

Source of Requirement	Requirement	SPOT Release Details	Implementation Date and Status
Section 861 (b) (1)	Identification of the major categories of contracts in Iraq or Afghanistan being awarded by DoD, DoS, or USAID	List of major categories has been developed, and a drop down list was added to the Add/Update Contracts Detail page within SPOT. [MoU paragraph IV]	January 2009
Section 861 (b) (4) (A) (i)	With respect to each contract: a brief description of the contract (to the extent consistent with security considerations)	Summary of Services has been changed to a Description box in the Add/Update Contracts Detail page within SPOT, where text may be added by the Contracting Community. [MoU paragraph VII]	January 2009
Section 861 (b) (4) (A) (ii)	With respect to each contract: the total value of the contract	Reports on obligated funds are currently available through FPDSNG. Intend to have an active bridge from FDDSNG into SPOT. [MoU paragraph VII]	Data from FPDSNG available now; active bridge expected in 2011
Section 861 (b) (4) (A) (iii)	With respect to each contract: whether the contract was awarded competitively	Check box has been added indicating competitive or non-competitive bid within the Add/Update Contracts Detail page in SPOT. The Contracting Community will assign as appropriate. [MoU paragraph VII]	January 2009
Section 861 (b) (4) (B) (i)	With respect to contractor personnel: the total number of personnel employed on contracts in Iraq or Afghanistan	This function already existed in SPOT. [MoU paragraph VII]	Already a function in SPOT
Section 861 (b) (4) (B) (ii)	With respect to contractor personnel: the total number of personnel performing security functions under contracts in Iraq or Afghanistan	Within the Create New Deploy Page, in the drop down box, "Private Security Contractor - Armed" was added to the list. Additionally, a report has been defined which totals those contractors identified as performing security functions. [MoU paragraph VII]	January 2009

Section 861 (b) (4) (B) (iii)	With respect to contractor personnel: the total number of personnel working under contracts in Iraq or Afghanistan who have been killed or wounded	A list of rationale for leaving post early has been developed and was added to the existing drop down box within in the Plan Re-Deployment page within SPOT. [MoU paragraph VII]	January 2009
Section 861 (d) (3)	The SECDEF, Secretary of State, or the Administrator of the USAID shall provide access to the [database] to the relevant committees of Congress	Reports will be generated and made available on request.	Already a function in SPOT

The update to SPOT (version 6.1.16), with the added functionality required by Section 861, was released in January 2009. In addition, to reflect the changes made to SPOT, a revised set of business rules were published for the user community. There is selected information that cannot be included in the existing SPOT tool. Therefore, and thanks to the support of the House, we were provided funds to develop a classified version of the tool which will be initially deployed this month.

As I mentioned above, the remaining four requirements of Section 861 related to clarification of roles and assignment of responsibilities. These are listed in the table below:

NDAA 2008 Section 861 Requirements Addressed in the July 2008 MoU Between DoD, DoS and USAID

Source of Requirement	Requirement	Addressed by	Also covered in
Section 861 (b) (2)	Identification of the roles and responsibilities of each department or agency for matters relating to contracting for contracts in Iraq or Afghanistan	MOU Paragraph V	
Section 861 (b) (3)	Responsibility for establishing procedures for, and the coordination of, movement of contractor personnel in Iraq or Afghanistan	MOU Paragraph VI	• Update to DODI 3020.41, and for PSCs, DODI 3020.pp • Iraq FRAGO • Afghanistan FRAGO
Section 861 (b) (5)	Responsibility for maintaining and updating information in the common databases identified under Section 861 (b) (4)	MOU Paragraph VIII	• FAR paragraph (g) (1) • DFARS 252.225-7040 paragraph (g) (1) • Update to DODI 3020.41 • SPOT Business Rules
Section 861 (b) (6)	Responsibility for the collection and referral to the appropriate Government agency of any information relating to offenses under [UCMJ] or [MEJA], including a clarification of responsibilities [of UCMJ].	MOU Paragraph IX	• SECDEF Memo March 10, 2008

These requirements have been addressed in the MOU and are being implemented through updates to DoD policies and guidance, changes to the Federal Acquisition Register and the Defense Federal Acquisition Register Supplement, and through theater specific operational implementing instructions.

Section 854 of the 2009 NDAA added three additional requirements to Section 861. These are listed in the table below.

NDAA 2009 Section 854 Requirements (Additions to NDAA08 Section 861(b))

Source of Requirement	Requirement	Plan to Address by
Section 854	Add to: Section 861 (b) (7) Mechanisms for ensuring that contractors are required to report offenses described in [Section 861 (b) (6)] that are alleged to have been committed by or against contractor personnel to appropriate investigative authorities.	• Reviewing requirement with DoS • Current update to DODI 3020.41 • Amendment to FAR/DFARS
Section 854	Add to : Section 861 (b) (8) Responsibility for providing victim and witness protection and assistance to contractor personnel in connection with alleged offenses described in [Section 861 (b) (6)].	• Reviewing requirement with DoS • Current update to DODI 3020.41 • Amendment to FAR/DFARS
Section 854	Add to : Section 861 (b) (9) Development of a requirement that a contractor shall provide to all contractor personnel who will perform work on a contract in Iraq or Afghanistan, before beginning such work, information on the following: (A) How and where to export an alleged offence described in [Section 861 (b) (6)] (B) Where to seek the assistance required by [Section 861 (b) (8)]	• Amendment to FAR/DFARS

We are incorporating these additional requirements into our updated policy on contractors in contingency operations and are also currently working with the DoS and USAID to determine how to best coordinate their implementation to insure consistency of approach.

Outreach

Given the many changing requirements and updates to policy, DoD has placed an emphasis on outreach to the extended contracting community of interest. Senior leaders are kept abreast of changes through the General Officer Steering Committee, which I mentioned earlier. Further, we hold quarterly Operational Contract Support (OCS) community of interest (COI) meetings where new requirements and lessons learned are discussed. This

wider community has played a significant role in helping to incorporate additional requirements and lessons learned into our new and updated policy documents and the revised SPOT business rules.

In addition to the OCS COI, we have used a number of other communities to assist in the outreach effort. First, the Joint Operational Contract Support Planners at each of the combatant commands have served as an added channel of communication for us. My office conducts weekly conference calls with these planners to discuss progress on integrating contractor support into plans and procedures. We also hold a planners' conference bi-annually which is attended by a broad representation of the combatant command staff. Secondly, representatives from my office have travelled to the COCOMs to address their specific issues personally. Finally, we have incorporated the program management approach to OCS, including the use of SPOT for accountability and visibility of contractors, into several exercises.

In terms of interagency outreach and communication, as the proponent for the interagency common database, we regularly meet with DoS and USAID to assist with their assimilation of SPOT. We have met with them at the action officer level, helped to set up training, and discussed the best way for them to utilize and manage the tool.

Of equal importance to our military and interagency outreach efforts has been our communication with the contractor community. Together, DoS and DoD have held meetings with contractor companies. While these meetings were focused on the impact of the Status of Forces Agreement, they also served as a forum to discuss the implementation of Sections 861 and 862. To augment the information distributed at these meetings, we are using the SPOT website homepage to post relevant documents and updated information.

Along with all of these outreach efforts, I have participated in several panel discussions at senior service colleges, the Congressional Research Service seminar, and many defense conferences including the upcoming as the National Defense Industrial Association meeting in order to convey our message to the broadest possible audience.

With respect to institutionalizing OCS training for non-acquisition personnel we are taking a two pronged approach. First, in cooperation with the U.S. Joint Forces Command (JFCOM), Joint Knowledge Development and Distribution Capability (JKDDC) we are establishing an on-line pre-deployment training course for those operational leaders who will interface with contractors in the battlespace. Second, we have incorporated an Operational Contract Support Program of Instruction into the military school curricula. In February 2009, OCS was designated as a Special Area of Emphasis (SAE) by the Military Education Coordination Council. SAEs highlight the concerns of OSD, the Chairman, combatant commands, Defense Agencies, the Military Services, and the Joint Staff regarding coverage of specific joint subject matter in the professional military education colleges. They help ensure the currency and relevance of the colleges' curricula and provide a recommendation on what should be included in the curricula. DoD is now working with Service Schools to determine the best ways to incorporate the OCS Program of Instruction into course work, case studies and exercises.

Finally, in an effort to pull all of the OCS program management initiatives together for the wider community, we are continuing to develop an Operational Contract Support Concept of Operations (CONOPS). The CONOPs outlines how the operational and acquisition communities plan and execute operational contract support during complex operations involving support, not just to the joint force, but to our multinational, other government agency and interagency partners as well. The CONOPS is in final draft and will be available for review by the community of interest in April 2009.

Way Ahead

We acknowledge that in every situation there is always room for improvement, and we are committed to improving our contracting oversight procedures and practices. We continue to execute our strategic goals as outlined in the Section 854 Report to Congress submitted last April. In addition, there are two important ongoing efforts that have our full support. The first undertaking is the Chairman of the Joint Chiefs of Staff Task Force on Dependence on Contractors in Contingency Operations. This Task Force is examining the use of DoD contractors in Iraq and Afghanistan as a focus, but is analyzing across the Range of Military Operations (ROMO) supporting the Joint Force Commander to determine reliance and dependence on contractor support. It is tasked to determine areas of high reliance on contractors, develop more complete Joint Capability Areas (JCAs) and Universal Joint Task Lists (UJTLs), and provide recommendations for further changes to policy and regulations. The second effort is the Commission on Wartime Contracting chartered by the Congress to look at, not just DoD, but all federal agencies' use of contractors and to make specific recommendations. We are working very closely with the Commission. Institutionalization of these changes as well as stable funding for these efforts continues to be a priority. Sections 854 and 861 are "sea changes" in the way we organize, manage, and support.

We urge Congress to let both of these efforts reach their conclusion before developing future statutory direction. With respect to the SPOT database, we ask that Congress consider revising the threshold for contractors to be included in SPOT from those contracts that cost over $25,000 or last 14 days to those contracts costing over $250,000 or with a period of performance longer than 30 days. We feel that this increased threshold is more realistic - it would still provide commanders visibility and oversight of key contracts and contractors without requiring a disproportionate effort of trying to account for the entire population. Finally, you may wish to consider extending the MOU reporting

requirements to all federal agencies with contractors in the contingency area of operations.

As I have stated throughout this testimony, we believe we have made significant advances in the program management of operational contract support, although we are not complacent: there is more to be done. We will maintain our working relationship with Congress, the Commission on Wartime Contracting and the GAO to keep you informed of our continued improvements to contingency contracting.

I thank the Members of the Committee for your ongoing support. I would be happy to answer any questions you may have. Thank you.

Statement of
William H. Moser
Deputy Assistant Secretary
for Logistics Management
Department of State

Before the

Subcommittee on Oversight and Investigations
of the House Armed Services Committee

Wednesday, April 1, 2009

Mr. Chairman, Congressman Wittman, members of the Subcommittee. I welcome the opportunity to provide you an update on the Department of State's implementation of Section 861 of the National Defense Authorization Act of 2008.

Please allow me first to express how much we at the State Department appreciate the support of this subcommittee. As the Deputy Assistant Secretary for Logistics Management, I am responsible for ensuring that our global logistics platform provides consistent, reliable support to the men and women who directly implement our foreign policy around the world. I work daily with the Bureau of Diplomatic Security, as well as our interagency partners, to guarantee the personal security of our personnel in the dangerous but critical environments of Iraq and Afghanistan. I am pleased to be able to state before you today that this is a good news story. Legislation originated by this body is part of that story.

Section 861 of the National Defense Authorization Act of 2008 reinforced through legislation the strong cooperative effort the Department of Defense, the Agency for International Development, and the Department of State began in February 2008. Even prior to the signing of our July 2008 MOU, our three agencies had discussed at length how best to account for contractor personnel in Iraq and Afghanistan. We concluded that the

Synchronized Predeployment and Operational Tracker, SPOT, provided the best available information system solution. The Department of State has embraced this solution enthusiastically.

In March 2008, the Department directed contracting officers to incorporate into each contract a clause that required contractors to include their personnel deployed in Iraq and Afghanistan in SPOT.

Each of our agencies has its own business processes for contracting. From July until November 2008, the Department of State developed our unique system hierarchy for data entry into SPOT and defined business rules, roles, and responsibilities. State met the Section 861 120 day deadline and by November 2008 had included all contracts, subcontracts, task and delivery orders over $100,000 into SPOT. In January 2009, SPOT was mandated for all State Department grants in Iraq and Afghanistan.

As of today in SPOT, State has entered data on 88 contracts and 53 grants. We have 5,670 contract personnel in Iraq and 1,649 in Afghanistan.

Much work has been accomplished. SPOT system enhancements will continue as the State Department, DOD, and USAID continue to work together daily to improve our cooperative efforts in Iraq and Afghanistan. This concludes my testimony and I am happy to answer any questions the Subcommittee may have.

Maureen A. Shauket
Senior Procurement Executive,
Director of the Office of Acquisition and Assistance
Bureau for Management
U.S. Agency for International Development

Testimony before the House Armed Services Committee
Subcommittee for Oversight and Investigations

April 1, 2009

"Efforts to Ensure Accountability and Oversight for Contractors Operating in Iraq and Afghanistan"

Mr. Chairman, Ranking Member Wittman, and Distinguished Members of the Subcommittee, thank you for the opportunity to appear before you today. I look forward to providing you with an update on U.S. Agency for International Development (USAID) efforts to ensure accountability and oversight of implementing partners working in Afghanistan and Iraq, per the National Defense Authorization Act (NDAA) of 2008, Section 861, and related provisions.

As you may be aware, USAID operates in more than 80 countries worldwide to provide economic, humanitarian, and development assistance in support of our U.S. foreign policy goals. As an independent federal agency, USAID delivered more than $13 billion of assistance in FY 2008. We did this with approximately 2,600 civil and foreign service employees and 3,800 local and third-country nationals working with our implementing partners to build sustainable development programs and achieve development results.

We look to Iraq and Afghanistan for examples. USAID currently has 130 employees in Iraq who manage and oversee the work of more than 4,000 implementing personnel working on 22 active awards. In Afghanistan, a current level of 250 USAID employees implement more than 165 awards and oversee 10,000-plus implementing personnel. In FY 2008, USAID programmed more than $629 million for Iraq and almost $1.8 billion in Afghanistan—5% and 13%, respectively, of USAID's total program dollars.

Strong oversight and accountability of our programs in these critical countries are priorities for USAID, including properly identifying the number of U.S.-hired contractors working in these countries. USAID, like our colleagues in the U.S. Department of Defense (DOD) and the U.S. Department of State (DOS), are committed to the terms of the Memorandum of Understanding (MOU) that was signed in July 2008 to maintain a database on all contracts in Iraq and Afghanistan. We are working closely with our interagency colleagues to adapt to DOD's Synchronized Pre-Deployment and Operational Tracker database, commonly referred to as SPOT, to function for USAID.

USAID Implementation of SPOT

To date, USAID has experienced steady progress with SPOT implementation, particularly in Iraq. This progress comes as a result of diligent coordination with DOD's SPOT implementation team and DOS colleagues. Technical and business solutions for implementation of this database to meet USAID standards are actively being pursued and applied—from increasing the system's capability for accepting subcontracts to updating general field designations to meet USAID procurement needs.

In Iraq, SPOT implementation became a reality in late 2008 with relevant technical and procurement USAID staff trained and actively using the database. In January 2009, USAID/Iraq issued a notice requiring all in-country contractors and grantees to begin use of SPOT by February 28, 2009. This notice provided specific procedures to assist in training implementing partners and their personnel to appropriately use the system.

At this time, USAID/Iraq holds capability to ensure all USAID Mission users, contractors and grantees, and subcontractors are designated within the system. It should be noted that this capability to utilize SPOT is due in large part to the current operating environment of Iraq. The long-established precedent for requiring letters of authorizations (LOAs) for implementing personnel to gain access to in-country facilities allowed USAID and implementing partners to adapt quickly to SPOT-generated LOAs.

This serves as one lesson learned for USAID as we look toward implementation of SPOT in Afghanistan. Currently, reviews are underway to determine how we can best apply the lessons of Iraq to mitigate potential challenges posed by current operating standards in Afghanistan, which differ greatly from Iraq. For example, with more than 10,000 implementing personnel on the ground and only seven U.S. direct hire contracting officers supporting Afghanistan efforts, we face a management challenge. Secondly, LOAs are required only for U.S. government-provided services. For Afghanistan, LOAs are not necessary due to the nature of operations; our implementing partners have long been responsible for their own company resources for in-country logistics and operational support.

DOD and DOS have been extremely receptive to working through these challenges with USAID. Daily conversations are assisting us in

moving forward with practical implementation of SPOT in both Iraq and Afghanistan, and we at USAID are committed to actively collaborating on these solutions. We look forward to working with our interagency colleagues to advance the goals of accountability and oversight in Iraq and Afghanistan.

Again, I appreciate the opportunity to appear before the Subcommittee today and will be pleased to respond to your questions.

United States Government Accountability Office

GAO

Testimony

Before the Subcommittee on Oversight and Investigations, Committee on Armed Services, House of Representatives

For Release on Delivery
Expected at 1:00 p.m. EDT
Wednesday, April 1, 2009

CONTINGENCY CONTRACTING

DOD, State, and USAID Are Taking Actions to Track Contracts and Contractor Personnel in Iraq and Afghanistan

Statement of John P. Hutton, Director
Acquisition and Sourcing Management

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GAO-09-538T

April 1, 2009

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Highlights

Highlights of GAO-09-538T, a testimony before the Subcommittee on Oversight and Investigations, Committee on Armed Services, House of Representatives

CONTINGENCY CONTRACTING

DOD, State, and USAID Are Taking Actions to Track Contracts and Contractor Personnel in Iraq and Afghanistan

Why GAO Did This Study

The Departments of Defense (DOD) and State (State) and the U.S. Agency for International Development (USAID) have relied extensively on contractors to support troops and civilian personnel and carry out reconstruction efforts in Iraq and Afghanistan. While recognizing the benefits of using contactors, GAO and others have noted the risks and challenges associated with relying on contractors.

To help increase contractor oversight, the National Defense Authorization Act for Fiscal Year 2008 directed DOD, State, and USAID to sign a memorandum of understanding (MOU) on contracting in Iraq and Afghanistan that identified a database to track information on contractor personnel and contracts performed in the two countries. In their July 2008 MOU, the agencies designated the Synchronized Pre-Deployment and Operational Tracker database (SPOT) as their system for tracking the required information.

GAO's testimony addresses how contractor personnel and contract information can aid agencies in managing contracts and the status of SPOT's implementation. It is drawn from GAO's ongoing and prior contingency contracting work. This work involved meeting with agency officials, including those in Iraq, and reviewing agency documents. GAO obtained agency views on previously unreported information, which the agencies generally agreed with.

View GAO-09-538T for key components. For more information, contact John P. Hutton at (202) 512-4841 or huttonj@gao.gov.

What GAO Found

GAO has reported extensively on the management and oversight challenges related to using contractors in contingency operations and the need for decision makers to have contract and contractor personnel information as a starting point to address these challenges. The lack of such information limits agency planning efforts, increases costs, and introduces unnecessary risk. For example, GAO previously determined that by not considering contractor resources when developing an assistance strategy for Afghanistan, USAID's ability to make informed resource allocation decisions was impaired. Similarly, it was estimated in 2006 that DOD's lack of visibility on what government support contractors were entitled to cost an extra $43 million in Iraq as the government provided them free meals and a food allowance. Many of GAO's past recommendations focused on improving agency officials' ability to obtain contract and contractor personnel information. While actions have been taken to address GAO's recommendations, agency officials have noted that their ability to access information on contracts and contractor personnel still needs improvement and SPOT has the potential to bring information together so it can be used to better manage and oversee contractors.

Although SPOT is capable of tracking contractor personnel and contracts as agreed to in the MOU, not all of the required information is being entered and the agencies continue to rely on other systems to obtain information on contractor personnel and contracts in Iraq and Afghanistan. DOD, State, and USAID now require their contractors in Iraq to enter personnel data into SPOT, but only DOD and State require their contractors to do so in Afghanistan. A critical factor in prompting the use of SPOT was DOD's requirement that contractor personnel have SPOT-generated letters of authorization (LOA) to, among other things, enter Iraq or Afghanistan. However, not all personnel need SPOT-generated LOAs and are being entered into SPOT. USAID officials said that the lack of an LOA requirement for its contractors in Afghanistan is one reason they do not have to be entered into SPOT. Officials from the three agencies also acknowledged that data on Iraqi and Afghan nationals in SPOT are incomplete, which is in part because they typically do not need LOAs and are more difficult to track. Despite the agencies' progress in implementing SPOT, they continue to rely on other systems to obtain information on contractor personnel and contracts in Iraq and Afghanistan. For example, DOD relies on a quarterly census of contractor personnel because it is regarded as more complete than SPOT whereas USAID relies entirely on ad hoc queries of its contractors. As the agencies consider how to use SPOT data to inform planning and management decisions, they have raised questions about what information needs to be in the system. For example, USAID officials have questioned the need to track information on contracts for which personnel do not need LOAs.

Mr. Chairman and Members of the Subcommittee:

Thank you for inviting me here today to discuss ongoing efforts by the Department of Defense (DOD), the Department of State (State), and the U.S. Agency for International Development (USAID) to implement their memorandum of understanding (MOU) regarding contracting in Iraq and Afghanistan. As you know, DOD, State, and USAID have relied extensively on contractors to support troops and civilian personnel and to oversee and carry out reconstruction efforts. Contractor personnel in the two countries have provided a range of services for the three agencies, such as interpretation, security, weapon systems maintenance, intelligence analysis, facility operations support, advice to Iraqi and Afghan ministries, and road and infrastructure construction. The use of contractors in contingency operations is not new, but the number of contractors and the work they are performing in Iraq and Afghanistan represent an increased reliance on contractors to carry out agency missions. While recognizing the benefits of using contractors, such as increased flexibility, we and others have noted the risks associated with the increased reliance on contractors and the challenges that federal agencies have in managing and overseeing their growing numbers. To help increase contractor oversight, the National Defense Authorization Act for Fiscal Year 2008 (NDAA FY2008) established a requirement for DOD, State, and USAID to sign a MOU regarding matters related to contracting in Iraq and Afghanistan, including the use of common databases that will provide the three agencies and Congress with information on contractor personnel and contracts in Iraq or Afghanistan.[1] The NDAA FY2008 also directed that we annually report on DOD, State, and USAID contractor personnel and contracts in Iraq and Afghanistan each year through 2010.[2]

My statement today will focus on how information on contracts and contractor personnel can assist agencies in managing and overseeing their use of contractors and the status of DOD, State, and USAID's implementation of the database that collects statutorily required information on contractor personnel and contracts in Iraq and Afghanistan. This statement is drawn from our ongoing and prior work

[1] Pub. L. No. 110-181, § 861, as amended.

[2] For our first report issued under this mandate (Pub. L. No. 110-181, § 863) see GAO, *Contingency Contracting: DOD, State, and USAID Contracts and Contractor Personnel in Iraq and Afghanistan*, GAO-09-19 (Washington, D.C.: Oct. 1, 2008). Work on our second report under the mandate is currently ongoing.

related to contracting in contingency operations, including Iraq and Afghanistan. As part of our ongoing work, we met with DOD, State, and USAID headquarters officials, as well as those in Iraq, regarding their current and planned use of the database and reviewed pertinent agency documents. For work not previously reported, we obtained views from DOD, State, and USAID on our findings, which the agencies generally agreed with, and incorporated technical comments where appropriate. Both our ongoing and prior performance audits were conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audits to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

Section 861 of the NDAA FY2008 directed the Secretary of Defense, the Secretary of State and the USAID Administrator to sign an MOU related to contracting in Iraq or Afghanistan. The law specified a number of matters to be covered in the MOU, including the identification of each agency's roles and responsibilities for matters relating to contracting in Iraq or Afghanistan, responsibility for establishing procedures for the movement of contractor personnel in Iraq or Afghanistan, responsibility for collecting and referring information related to violations of the Uniform Code of Military Justice (UCMJ) or the Military Extraterritorial Jurisdiction Act (MEJA), and identifying common databases that will serve as repositories of information on contract and contractor personnel in Iraq or Afghanistan. The NDAA FY2008 requires the databases to track, at a minimum,

- for each contract:[3]
  - a brief description,
  - its total value, and

[3] Section 864 of the NDAA FY2008 defines a "contract in Iraq or Afghanistan" as "a contract with the Department of Defense, the Department of State, or the United States Agency for International Development, a subcontract at any tier issued under such a contract, or a task order or delivery order at any tier issued under such a contract (including a contract, subcontract, or task order or delivery order issued by another Government agency for the Department of Defense, the Department of State, or the United States Agency for International Development) if the contract, subcontract, or task order or delivery order involves work performed in Iraq or Afghanistan for a period longer than 14 days."

- whether it was awarded competitively, and
- for contractor personnel[4] working under contracts in Iraq or Afghanistan,
  - total number employed,
  - total number of personnel performing security functions,[5] and
  - total number of personnel who have been killed or wounded.

DOD, State, and USAID signed the MOU in July 2008.[6] Under the MOU, the three agencies agreed that DOD's Synchronized Pre-Deployment and Operational Tracker database (SPOT) will be the system of record for required contract and contractor personnel information. SPOT is a Web-based system that was initially designed by DOD. The MOU specified that SPOT will include information on DOD, State, and USAID contracts with more than 14 days of performance in Iraq or Afghanistan or valued at more than $100,000 as well as information on the personnel working under those contracts. The NDAA FY2008, however, did not specify a minimum dollar value threshold regarding which contracts should appear in the database.

As agreed to in the MOU, DOD is responsible for all maintenance and upgrades to SPOT.[7] The agencies further agreed to negotiate funding arrangements for any agency-unique requirements that only benefit one agency and for specialized training requirements. Each agency is

[4] The Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (NDAA FY2009) (Pub. L. No. 110-417, §854) amended section 864 of the NDAA FY2008 to add a definition of "contractor personnel" as "any person performing work under contract for the Department of Defense, the Department of State, or the United States Agency for International Development, in Iraq or Afghanistan, including individuals and subcontractors at any tier."

[5] Section 864 of the NDAA FY2008 defines private security functions as the "guarding of personnel, facilities or property of a Federal agency, the contractor or subcontractor, or a third party" and "any other activity for which personnel are required to carry weapons in the performance of their duties" under a U.S. government contract in an area of combat operations.

[6] The NDAA FY2009 amended section 861 of the NDAA FY2008 by specifying additional matters to be included in the MOU regarding UCMJ and MEJA offenses and requiring the agencies to modify their MOU to address these additional matters by February 11, 2009. However, according to officials with the three agencies, the required modifications to the MOU are still pending final approval

[7] DOD, as the system owner, currently pays all development and maintenance costs for SPOT. However, DOD officials we spoke with said that they are exploring options for having the agencies that use SPOT pay for some of the maintenance costs.

responsible for ensuring that data elements related to contractor personnel, such as the number of personnel employed on contracts in Iraq or Afghanistan, are entered into SPOT and for requiring its contractors to input that information accurately. Other data elements related to the contract, such as its value and whether it was awarded competitively, are to be imported into SPOT from the Federal Procurement Data System – Next Generation (FPDS-NG), which is the federal government's current system for tracking information on contracting actions.

Information on Contracts and Contractor Personnel Can Help Address Contract Management and Oversight Challenges

Given DOD, State, and USAID's extensive reliance on contractors to support and carry out their missions in Iraq and Afghanistan, the need for accurate and complete information on contracts and contractor personnel to inform decisions and oversee contractors is critical. We have reported extensively on the management and oversight challenges related to the use of contractors in support of contingency operations and the need for decision makers to have accurate, complete, and timely information as a starting point for addressing those challenges. Although much of our prior work has focused on DOD, the lessons learned can be applied to other agencies relying on contractors to help carry out their missions. The agencies' lack of complete and accurate information on contractors supporting contingency operations inhibits officials and commanders from developing a complete picture of the extent to which they rely on contractors, the tasks contractors are performing, and the government's spending on contractors. These limitations may inhibit planning, increase costs, and introduce unnecessary risk, as illustrated in the following examples:

- Limited visibility over contractors obscures the extent to which agencies rely on contractors to support operations and help carry out missions. In our 2006 review of DOD contractors supporting deployed forces, we reported that a battalion commander in Iraq was unable to determine the number of contractor-provided interpreters available to support his unit.[8] Such a lack of visibility can create challenges for planning and carrying out missions. Further, knowledge of who is on their installation, including contractor personnel, helps commanders make informed decisions regarding force protection and account for all individuals in the event of hostile action.

[8] GAO, *Military Operations: High-Level DOD Action Needed to Address Long-standing Problems with Management and Oversight of Contractors Supporting Deployed Forces*, GAO-07-145 (Washington, D.C.: Dec. 18, 2006).

- Without incorporating information on contractors into planning efforts, agencies risk making uninformed programmatic decisions. As we noted in our 2004 and 2005 reviews of Afghanistan reconstruction efforts, when developing its interim development assistance strategy, USAID did not incorporate information on the contractor resources required to implement the strategy and the means to measure program progress.[9] Such information was contained in numerous project and contract documents rather than in a comprehensive strategy. We determined that the lack of a comprehensive strategy or adequate financial data impaired USAID's ability to make informed decisions on resource allocations as it developed the interim strategy.
- A lack of accurate financial information on contracts impedes agencies' ability to create realistic budgets. As we reported in July 2005,[10] despite the significant role played by private security providers in enabling Iraqi reconstruction efforts, neither State, DOD, nor USAID had complete data on the costs associated with using private security providers. As a result, agency officials acknowledged that security costs had diverted planned reconstruction resources and led to a reduction in scope or cancellation of certain reconstruction projects, including a USAID power generation-related contract in which the agency cut $15 million from two projects to cover security costs at another.
- Lack of insight into the contract services being performed increases the risk of paying for duplicative services. In the Balkans, where billions of dollars were spent for contractor support, we found in 2002[11] that DOD did not have an overview of all contracts awarded in support operations. Until an overview of all contractor activity was obtained, no one in DOD knew what the contractors had been contracted to do and whether there was duplication of effort among the contracts that had been awarded.
- Costs can increase due to a lack of visibility over where contractors are deployed and what government support they are entitled to. In our December 2006 review of DOD's use of contractors in Iraq, an Army official estimated that about $43 million was lost each year to free meals provided to contractor employees at deployed locations who also received

[9] GAO, *Afghanistan Reconstruction: Deteriorating Security and Limited Resources Have Impeded Progress; Improvements in U.S. Strategy Needed*, GAO-04-403 (Washington, D.C.: June 2, 2004) and *Afghanistan Reconstruction: Despite Some Progress; Deteriorating Security and Other Obstacles Continue to Threaten Achievement of U.S. Goals*, GAO-05-742 (Washington, D.C.: July 28, 2005).

[10] GAO, *Rebuilding Iraq: Actions Needed to Improve Use of Private Security Providers*, GAO-05-737 (Washington, D.C.: July 28, 2005).

[11] GAO, *Defense Budget: Need to Strengthen Guidance and Oversight of Contingency Operations Costs*, GAO-02-450 (Washington, D.C.: May 21, 2002).

a per diem food allowance.[12] Similarly, when senior military leaders began to develop a base consolidation plan, they were unable to determine how many contractors were deployed and ran the risk of over- or underbuilding the consolidated bases.

Many of the recommendations from our prior work on contractors supporting contingency operations focused on increasing agencies' ability to track contracts and contractor personnel so that decision makers—whether out in the field or at headquarters—can have a clearer understanding of the extent to which they rely on contractors, improve planning, and better account for costs. While actions have been taken to address our recommendations, DOD, State, and USAID officials have noted in their recent meetings with us that their ability to access information on contracts and contractor personnel to inform decisions still needs improvement. Specifically, information related to contracts and the personnel working on them in Iraq and Afghanistan may reside solely with the contractors, be stored in a variety of data systems, or may exist only in paper form in scattered geographical regions. These officials indicated that the implementation of the MOU and specifically the use of SPOT have the potential to bring some of this dispersed information together so that it can be used to better manage and oversee contractors.

Agencies Have Made Progress in Implementing their Database to Track Contractor Personnel and Contracts

DOD, State, and USAID have made progress in implementing SPOT as agreed upon in the MOU, but not all contractor personnel and contracts are being entered into the system. The three agencies now require their contractors to enter personnel data into SPOT, although the requirements are not applied uniformly across the agencies or in both Iraq and Afghanistan. Similarly, SPOT has the capability to track contract information, but there are differing views as to which contracts should be tracked. As a result, the agencies continue to rely on alternative sources for this information and have not yet begun to incorporate SPOT data into their decision making.

Contractor Personnel

Since signing the MOU, DOD, State, and USAID have taken actions to have contractor personnel information entered into SPOT. Specifically, all three agencies now require their contractors in Iraq to enter personnel data into SPOT, but only DOD and State require their contractors to do so in Afghanistan. While the MOU established the requirement for the agencies

[12] GAO-07-145.

to track their contractor personnel in SPOT, officials from all three agencies explained that a separate DOD order issued in August 2008 was a critical factor in prompting the agencies and their contractors to begin entering personnel information into SPOT, particularly for Iraq. This order requires DOD contractor personnel to have letters of authorization (LOA)[13] generated in SPOT so that they can, among other things, enter Iraq or Afghanistan, receive military identification cards, travel on U.S. military aircraft, or, for security contractors, receive approval to carry weapons. Though DOD's order does not apply directly to non-DOD contractors, State and USAID also began taking steps to have their contractor personnel entered into SPOT and to issue them SPOT-generated LOAs to facilitate their entry into the country and access to U.S. installations. As a result of the LOA requirement, officials with all three agencies have expressed confidence that most, if not almost all, contractor personnel needing LOAs have been entered into SPOT.

The agencies acknowledge that despite their progress not all contractor personnel are being tracked in SPOT. This is particularly true for contractor personnel who do not need LOAs and for Iraqi and Afghan local nationals working under U.S. government contracts. USAID officials stated that one reason they do not yet require contractors in Afghanistan to use SPOT is that they do not need LOAs since they generally do not take U.S. military transport or access U.S. facilities. One USAID official, citing the burden of fulfilling such a requirement for the agency, questioned the value of requiring USAID contractors in Afghanistan to use SPOT absent the need for a SPOT-generated LOA. In addition, Iraqi and Afghan contractor personnel typically do not need LOAs. As a result, there is little incentive for the agencies or contractor firms to ensure that information on local nationals is entered into SPOT. For example, a State contracting officer informed us that Iraqis working on his contracts are not in SPOT because they do not need LOAs. DOD officials further explained that information on local nationals in SPOT is incomplete, in part, because the number of Afghan and Iraqi nationals working under contracts tends to fluctuate and local firms do not always keep precise track of the individuals working on their projects. Also, USAID has held off entering Iraqi nationals into SPOT because of concerns that doing so could pose a threat to their safety should the database be compromised. DOD officials

[13] An LOA is a document issued by a government contracting officer or designee that authorizes contractor personnel to travel to, from, and within a designated area; and to identify any additional authorizations, privileges, or government support the contractor is entitled to under the contract.

informed us that they are currently developing a classified version of SPOT, which could help address this concern.

SPOT was upgraded in January to fulfill the NDAA FY2008 requirement to track contractor personnel who have been killed or wounded. Using a field in SPOT, contractors are able to indicate whether an individual has been killed, is wounded, or is missing. According to DOD officials, depending on the extent to which contractors record casualty information in SPOT, all three agencies may be able to centrally and systematically obtain such information, something they previously were unable to do.

Contracts

With respect to the three agencies' contracts performed in Iraq and Afghanistan, DOD upgraded SPOT in January 2009 so that it can now record information on each contact's value, the extent of competition, and descriptions of the services provided. While the MOU specifies that the information is to be imported from FPDS-NG, the competition and description fields are not currently linked to FPDS-NG and that information must be entered manually.[14] While information on contracts is now being entered into SPOT, there are differing views as to which contracts need to be entered into the database. The agencies agreed in the MOU to track contracts in Iraq or Afghanistan that have a period of performance of more than 14 days or a total value of $100,000 or more. According to DOD officials, they would now like to increase this value to $250,000. However, DOD currently requires contracts with more than 30 days of performance or a total value over $25,000 to be entered into SPOT. Yet in practice, DOD contracting officers have said that contracts for which personnel need LOAs are entered into the database even if they do not meet the thresholds. Similarly, the USAID point of contact for SPOT's implementation said that the agency does not believe it needs to enter those contracts for which personnel do not need LOAs, even if the contracts meet the thresholds identified in the MOU. These varying interpretations stem, in part, from differing views on the agencies' need to collect and use data on certain contracts. However, DOD officials informed us that when the agencies established the MOU requirements, they did not conduct any analyses of what an appropriate threshold should

[14] According to DOD officials, data on contract obligations can be uploaded into SPOT based on reports provided from FPDS-NG. There are plans to have a direct link between SPOT and FPDS-NG in 2011.

be given the potential costs and benefits of obtaining and using such information.

Continued Reliance on Other Systems

Although their use of SPOT has increased, the database is not yet the agencies' primary means of obtaining data on contractor personnel or contracts in Iraq and Afghanistan. DOD continues to rely on its quarterly census[15] of contractor personnel to obtain information on the number of U.S., third country, and local nationals working in Iraq and Afghanistan and the contractor personnel performing security functions. According to DOD officials in Iraq, the census provides more complete information. They stated that this is particularly the case for local nationals working on DOD contracts, which is of special interest to commanders in Iraq for tracking the progress of economic development efforts. Although State reported that most of its contractor personnel are entered into SPOT, it continues to conduct ad hoc inquiries of contractors to obtain a more complete view of contractor personnel in the two countries. USAID officials informed us that they rely entirely on ad hoc inquiries of its contractors to determine how many personnel are working under each contract in Iraq and Afghanistan. In responding to our recent requests for contract data, the three agencies continue to rely on a combination of FPDS-NG, agency-specific databases, and manually compiled lists as opposed to using SPOT.

As they rely on other sources of information, the agencies have not used SPOT data to inform planning or management decisions with limited exceptions. Officials from both State and USAID told us that they were uncertain of the extent of their access to SPOT to obtain data and generate reports that could inform decisions. State officials were able to provide us with a list of contractor personnel entered into SPOT, but they said that any special data requests beyond that would need to be submitted to the SPOT Help Desk and approved by DOD. Similarly, the USAID official responsible for SPOT told us the agency has a great deal to learn about using the system, and only after receiving assistance from the SPOT Help Desk could he figure out how to obtain a SPOT-generated report of USAID's contractor personnel. Further USAID officials indicated that they

[15] DOD's Central Command (CENTCOM), which is responsible for overseeing U.S. military operations in Iraq and Afghanistan, initiated its quarterly census of contractor personnel in June 2007 as an interim measure until SPOT is fully implemented. The census relies on contractor firms to self-report their personnel data to DOD components, which then aggregate the data and report them to CENTCOM at the end of each quarter.

have not yet determined how they can use data from SPOT to inform various planning and management efforts. In contrast, DOD is currently using SPOT to monitor contractor personnel movements into and within Iraq and Afghanistan. Despite limited use thus far, DOD and State have expressed plans to expand the use of SPOT for a number of planning and management purposes. For example, DOD would like to use SPOT to identify contractor personnel who eat at or receive medical services from U.S. military facilities so that they can be billed for any unauthorized use of these services. In addition, DOD officials stated that other agencies, including the Departments of Energy and the Treasury, have expressed an interest in using SPOT to track their contractor personnel, while State has indicated a desire to expand SPOT's use to countries other than Iraq and Afghanistan.

Concluding Observations

The use of contractors in contingency operations is not new, but the number of contractors and the work they are performing in Iraq and Afghanistan represent an increased reliance on contractors to carry out agency missions. By designating SPOT as their database to track information on contracts and contractor personnel, DOD, State, and USAID are not only addressing a statutory requirement, but when fully implemented, they also have an opportunity to use this information to help address some longstanding contract management challenges. Using such information can provide decision makers with a clearer understanding of the extent they rely on contractors, improve planning, and better account for costs. However, at this time, agencies have varying views on the level of detail and types of information to be captured by the database and the usefulness of such data to better plan for and oversee the use of contractors. It is important that DOD, State, and USAID continue to work together to develop and implement a database that is flexible enough to be applicable across agencies while still providing detailed information to better manage and oversee contractors.

Mr. Chairman, this concludes my prepared statement. I would be happy to respond to any questions you or other members of the subcommittee may have at this time.

GAO Contacts and acknowledgement

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QUESTIONS SUBMITTED BY MEMBERS POST HEARING

April 1, 2009

QUESTIONS SUBMITTED BY DR. SNYDER

Dr. SNYDER. Do you believe the language in the Memorandum of Understanding meets the spirit and intent of the Section 861 legislation?

Mr. MOTSEK. The Memorandum of Understanding meets the spirit of the legislation while respecting the different agencies' authorities and separate appropriations. The Department of Defense continues to work in close partnership with the Department of State and USAID. We have established a common database. We continue to align our processes where we are able, and where it is not appropriate to align them, we are ensuring that our procedures are consistent.

Dr. SNYDER. How can we verify the accuracy of SPOT? How do we move away from the manual census?

Mr. MOTSEK. The Synchronized Predeployment and Operational Tracker's (SPOT) data accuracy can be validated using three different measures surrounding contract accuracy, completeness of contractor personnel records in SPOT and maintenance of vendor companies' contractor information in the system.

The first way to verify the accuracy is by comparing the contracts entered into SPOT versus those represented in the Federal Procurement Data System–Next Generation (FPDS–NG). This methodology also applies to validating the manual census as compared with SPOT and FPDS–NG. In the future, SPOT will have real time services with the FPDS–NG that will enable SPOT to receive contingency contract information from FPDS–NG. Success will depend on government contracting activities posting contract actions to FPDS–NG within a specified time frame.

The second way to verify data accuracy in SPOT is to ensure that SPOT contains the contractor records required by the Defense Federal Acquisition Regulation Supplement (DFARS). This is accomplished first by comparing the number of active contractors by contract in SPOT versus the manual census count. Second, we look at Joint Asset Movement Management System (JAMMS) scans captured in theater and ensure contractors consuming services in theater are in fact registered in SPOT. This methodology also will be applied using scans captured by base authorization and biometric systems that enroll contractors and issue cards. If a contractor receives an access or identification card, then a contractor record is expected to exist in SPOT.

Third, we provide compliance metrics on companies maintaining their contractor records in SPOT. Companies are required to set the actual in theater arrival and departure dates once a deployment is created.

Once the contract and contractor personnel information is correct, the manual census can be turned off. We presently estimate that two more cycles are required until we are confident in the "capture" of contractor personnel and so are able to turn off the manual census.

Dr. SNYDER. As the agency responsible for maintaining and upgrading SPOT, please provide an overview of planned upgrades to the system and what those capabilities will provide. How much do these upgrades and regular maintenance of SPOT cost? What is the plan and timeline for rebidding the SPOT contract?

Mr. MOTSEK. Planned upgrades to the SPOT system are occurring in several areas to include key integrations with other authoritative data systems; improvements to user interface with the system inclusive of finalizing and fielding a robust SIPR-based business intelligence tool (SPAARS). By integrating with other federal data systems, this reduces redundant processing and data collection steps for contractors. Integrations improve data quality by enabling the comparison of data contained in SPOT with other data that is contained in authoritative systems. These services enable the exchange of information between SPOT and other requiring systems/activities. Planned upgrades to SPOT focus on reducing the time it takes companies and government users to input contractor data into SPOT. Improvements to SPOT include completing the "create a contractor deployment task" web services functionality that would enable companies to export all required data fields from company owned systems directly into SPOT; expand the Letter of Authorization (LOA) functionality to "bulk" renew, revoke, modify and extend active LOAs; enable companies to create deployment templates that could be applied to many employees versus creating them on an individual basis today; build more defined SPOT user

roles that would enable customers to receive adaptive roles for their agency and organization; provide the ability for organizations or individuals to create and maintain adaptive hierarchies in SPOT that would no longer require a data base administrator to make these changes in time sensitive situations. Finally, the Joint Asset Movement Management System (JAMMS) will be installed in additional government furnished point of service locations to provide tracking and audit type capability for contractors serving in contingency areas.

The SPOT program's projected cost for FY 2009 is $18.5M. If additional federal agencies utilize SPOT to manage their global contractor footprint, costs would increase by an additional $2.5–$3.0M to support increased training, customer service, hardware and hosting costs. Separate from the direct cost of the SPOT program is the CENTCOM SPOT/JAMMS theater support consisting of 21 contractor personnel that help resolve contractor movement and life support issues, provide SPOT/JAMMS training to new organizations and administer Tier 1 JAMMS technical support in the AOR. The theater support costs $6.2M annually and is funded through GWOT. SPOT is a system which was initially developed and fielded to meet immediate contingency operations requirements. Subsequently, it has grown and is now included in federal acquisition rules and inter-agency documentation required by statute. The system, therefore, must transition from a supplemental funding to normal base budget funding.

The contract action for "rebidding" SPOT is scheduled for release in mid-May 2009. Expected contract award is the first week in August 2009. This effort consolidates SPOT NIPR/SIPR, the business intelligence tool (SPAARS), and JAMMS software maintenance and support.

Dr. SNYDER. Do you support the extension of the Military Extraterritorial Jurisdiction Act (MEJA) to private security contractors of all federal agencies?

Mr. MOTSEK. The Department of Defense consistently has supported unambiguous application of the Military Extraterritorial Jurisdiction Act to all U.S. government private security contractors operating in a contingency area.

There must be assured legal accountability for the actions of all U.S. contractors deployed to an area of combat operations. The application of the Uniform Code of Military Justice (UCMJ) and MEJA to DOD civilians and contractors are ways to ensure legal accountability.

In the recent review of the Manual for Courts-Martial, the Joint Service Committee on Military Justice provides guidance on the appropriate application of the UCMJ to deployed DOD civilian employees and contractor employees. In essence, the punishment scheme for civilians is clarified for those who are uncertain how pre-existing UCMJ/MCM punishments would apply, and clarifies that punishments by courts-martial would follow a similar construct as faces civilians in civilian courts: for example, a penalty that is a combination of imprisonment (confinement) and/or a fine.

Dr. SNYDER. In your opinion, what is the appropriate vehicle to coordinate contracting activities across the interagency in future potential contingency settings? Is there room to improve interagency cooperation, and if so, what do you propose?

Mr. MOTSEK. Based upon the groundwork we have laid and the working relationships we have developed in response to the current contingency operations, we believe that Memoranda of Understanding and Agreement are sufficient vehicles. To include all agencies operating in the contingency area, we would need specific legislative authority to mandate the scope of coordination to other federal agencies and to enforce more standardized procedures. With the increasing recognition by administration and congressional leadership regarding the coordinated application of all U.S. resources and the use of "soft power," we believe the interagency process will be reinvigorated and will provide the proper senior level oversight and coordination for future contingencies.

Dr. SNYDER. In order for a program to become a truly enduring capacity within the Department, it must be included in the base budget. Is funding for your office's programs included in the POM? If not, is there a plan to migrate this funding away from the supplementals?

Mr. MOTSEK. Congress has mandated several programs for which funding currently is not in the POM due to either the POM cycle and/or the determination of the Executive Agency. They presently compete for consideration and inclusion in base budget funding. These programs include:

(1) The Synchronization Pre-deployment and Operational Tracker (SPOT) system—the system of record for accountability and visibility of contractors operating in a contingency operation. Section 862 of the National Defense Authorization Act of Fiscal Year 2008 required the Secretary of Defense, the Secretary of State, and the Administrator of the Agency for International Development to enter into a Memorandum of Understanding that, among other things, must address the identi-

fication of common databases as the repositories of information on contracts in Iraq and Afghanistan. The three agencies have agreed to use SPOT as the common database. OSD has partially funded this program in the FYDP. Additional unplanned requirements have caused a current Unfunded Requirement (UFR) of $4.0M for FY09.

(2) The Biometrics Automated Toolset (BAT)—a stand alone badging system used to allow physical access to U.S. facilities in Afghanistan is an add-on requirement which integrates into SPOT in isolated localities. This is not funded in the current FYDP and has a current shortfall of $2.0M for FY 09.

(3) Two Joint Operational Contract Support Planners at each of the Combatant Commands (COCOM) are authorized to act as subject matter experts on Operational Contract Support and provide the COCOMs with planning guidance for contractor personnel within their AOR. This effort is partially funded with internal resources and currently requires $3.5M to fully execute this FY.

Dr. SNYDER. Do you see a need for a comprehensive reevaluation of our use of contractors in contingency operations?

Mr. MOTSEK. The Chairman, Joint Chief of Staff, as directed by the Secretary of Defense, is already conducting a thorough examination of the use of Department of Defense contractors in support of current military operations as well as a review of the range and depth of contractor capabilities necessary to support the Joint Force of the future.

The Department of Defense is improving contractor oversight and management through several regulatory mechanisms both internal to the DOD and in conjunction with other government agencies. These efforts include development of new DOD Directives and Instructions and updates to existing regulations. The Department is working very closely with DOS and USAID. Several Memorandums of Agreement and Memoranda of Understanding are in place and efforts to develop enterprise solutions to broader acquisition issues are ongoing.

Dr. SNYDER. How can we verify the accuracy of SPOT? How do we move away from manual census?

Mr. MOSER. We are improving data quality by using SPOT ad hoc reports to verify accuracy of all deployments in Iraq and Afghanistan each fiscal quarter.

SPOT released new functionality in January 2009 and now collects additional data requirements for the National Defense Authorization Act (NDAA) Section 861, such as categories of contractor's personnel, competitive or non-competitive awards, and personnel incidents. Concern still exists about security of inputting Iraqi Nationals into the unclassified SPOT database. Therefore, this information is likely to be incomplete until DOD has completed its classified SPOT database.

The move from manual counts to using SPOT will be closely monitored by our contracting/grants officers to verify company/grantee accuracy of data.

Dr. SNYDER. While DOD is the system owner, SPOT became an interagency system with the signing of the MOU. How is the Department of State ensuring that SPOT meets your needs in terms of inputting and accessing information that can be used for contractor management and oversight?

Mr. MOSER. The level of cooperation between the Departments in implementing the MOU and establishing the SPOT database is excellent. The DOS is in regular contact with DOD and USAID. DOS, DOD, and USAID meet monthly and on an ad hoc basis to address systems and policy implementation issues.

The MOU requires the parties use the DOD-managed SPOT database. The DOD Program manager is always available to answer questions, provide information about future system capabilities, assist with custom reports, and share ways to use SPOT more efficiently. Section VII of the July 2008 MOU defines DOD's responsibility for system maintenance. DOD is open to system improvements and customized reports for contractor management issues. The January 2009 upgrade of SPOT provided the ability to assign a uniform description of contract services enabling sorting data by major categories, including the number of personnel performing security functions. This upgrade also enabled the user the ability to report a competitive or non-competitive award, incidents of wounded in action (WIA) or killed in action (KIA), and other reasons for ending a deployment.

The DOS Contracting/Grants Officers and the commercial/federal assistance partners will use these new functionalities for all future contractors and grantees input in SPOT to fulfill requirements of Section 861 reporting and to manage more effectively. SPOT is also being used as a message board for the interagency community to post information needed by the contracting and grants community to do business in Iraq.

The DOS's Diplomatic Security (DS) recently negotiated with DOD to purchase 20 SPOT Joint Asset Movement Management System (JAMMS) scanners for installation at strategic locations in Iraq and Afghanistan. This will enable program man-

agers to monitor billable services and daily contractor activity. DS also established a new position at Embassy Baghdad, the Coordinator of Armed Contractor Oversight, which will report to the Regional Security Officer. This also will help ensure compliance with NDAA requirements.

Dr. SNYDER. Do you support the extension of the Military Extraterritorial Jurisdiction Act (MEJA) to private security contractors of all federal agencies?

Mr. MOSER. As Secretary Clinton has said, the Department of State needs to take a hard look at the issue of security contractors abroad and how they are used and held accountable, while at the same time recognizing that we need to provide security for our diplomats if they are to perform their vital mission in Iraq and other dangerous places. I will continue to work with the Office of the Legal Adviser to ensure that the Department's use of private security contractors remains on solid legal footing and to determine whether additional legislation might be beneficial.

Dr. SNYDER. Do you believe the language of the Memorandum of Understanding (MOU) meets the spirit and intent of Section 861?

Mr. MOSER. The MOU meets the spirit and intent of the legislation. DOD, USAID, and DOS have begun using a common database, SPOT, for all contracts/grants in Iraq and Afghanistan to comply with the reporting requirements of the National Defense Authorization Act (NDAA) Section 861.

SPOT released new functionality in January 2009 and now collects additional data requirements for the NDAA Section 861, such as categories of contractor's personnel, competitive or non-competitive awards, personnel incidents, company weapons authorization categories, security checks categories, and identification of weapons categories. This specifically supports the legislation's intent to coordinate better on rules of force for contractors in area of combat operations.

Dr. SNYDER. In your opinion, what is the appropriate vehicle to coordinate contracting activities across the interagency in future contingency settings? Is there room to improve interagency cooperation, and if so, what do you propose?

Mr. MOSER. It would be ideal to say that a vehicle such as the National Defense Authorization Act (NDAA) 2008–9, Section 861 should never be needed to coordinate activities across agencies. However, it did prove that this kind of cooperation is essential and can prove efficient. Many times, in contingency settings, agencies can be reactive versus proactive because of the unpredictable circumstance. However, NDAA 861 implementation will realize lessons learned that will be leveraged to build a contingency team among agencies beyond the July 2008 MOU. For example, the SPOT database could be used beyond Iraq and Afghanistan to bring agencies together to meet other world wide challenges through sharing contract information in such places as Africa.

Dr. SNYDER. How can we verify the accuracy of SPOT? How do we move away from the manual census?

Ms. SHAUKET. USAID, like our Department of Defense (DOD) and Department of State (DOS) colleagues, must rely upon USAID contractors/grantees to enter the majority of data contained within SPOT. While USAID manually enters prime-award information, the USAID contractor/grantee is responsible for updating the necessary data fields for all sub-awards. (Under USAID and federal regulations/guidance, USAID prime contractors/grantees maintain the direct business relations between themselves and sub-awardees; USAID maintains the direct business relationship with the prime contractor/grantee.)

Currently, USAID verifies accuracy of SPOT entries associated with letters of authorization (LOAs). For the majority of USAID implementing partners who are not issued LOAs, however, verification of data can present a challenge. Two major data sets require verification for accuracy: 1) award-related information; and 2) actual contractor/grantee personnel information. The personnel information in the system can be complex given the scope and type of information that SPOT requires. As well, concerns about listing local personnel in the system raise verification challenges, such as: 1) the U.S. standard of first, middle, and last names is not the same in the Middle East, and 2) a reluctance to provide personal data that could compromise the safety of local personnel and their families.

USAID does not currently have a system that contains the same information as SPOT; therefore it is difficult to develop an approach that does not involve some level of "manual census." A less cumbersome method for verifying the accuracy of the large data sets requested in SPOT could be to conduct random sampling. This randomly sampled data then could be used to formulate an "accuracy" score, for example.

At this time, USAID must rely on verification of information from our prime contractors. If USAID were to take on the responsibility for this, a team of dedicated, full-time staff with the necessary related resources would be required.

Dr. SNYDER. Do you support the extension of the Military Extraterritorial Jurisdiction Act (MEJA) to private security contractors of all federal agencies?

Ms. SHAUKET. USAID does not object to the extension of MEJA to cover private security contractors employed by civilian agencies abroad, provided sufficient resources are appropriately allotted to effectively implement any extension. If MEJA is extended to private security contractors of all federal agencies, USAID hopes to address key concerns about coordination of MEJA enforcement in foreign countries.

Dr. SNYDER. While DOD is the system owner, SPOT became an interagency system with the signing of the MOU. How is USAID ensuring that SPOT meets your needs in terms of inputting and accessing information that can be used for contractor management and oversight?

Ms. SHAUKET. Since signing the MOU, USAID has worked with interagency colleagues to adapt SPOT to meet agency business needs. We continue to work through technical challenges posed by the current system, including terminology mismatches between agencies (which limits data quality) and a continuing lack of interagency HSPD–12 support (which slows capabilities). While the agency actively engages SPOT, especially in Iraq, we continue to address these issues in an interagency forum and with the system developer at DOD, in order to more fully realize the capabilities of the new system.

Tracking of contracting/grantee personnel under SPOT is being done at a level that is unprecedented for this agency. For this reason, USAID is analyzing the functionalities and the activity tracks of SPOT for effective use—first in Iraq and then in Afghanistan. Once fully realized, SPOT functionality will allow USAID to meet the oversight needs as outlined in the MOU and Section 861. SPOT functionality for USAID will provide a capability to report to combatant commanders, interagency partners, Congress, and others regarding number of contracting personnel in contingency situations and other appropriate information.

The continued and active use of SPOT (inputting and accessing of information), however, must be met with committed resources to hire or re-assign full-time staff within USAID to help manage the system. USAID does not require SPOT capabilities for overall contractor management and oversight purposes; the agency requires it to provide information for our interagency colleagues and meet the MOU and legislative requirements. As SPOT is an unfunded mandate for USAID, additional funding would be required to maintain agency capabilities. Additional funding also will be required within the budget plans for contract and/or grant awardees in order to support the SPOT administrator function for each partner. Without the regular information and updates provided by partners within SPOT, the functionality of the system would be compromised.

Dr. SNYDER. Do you believe the language in the Memorandum of Understanding meets the spirit and intent of the Section 861 legislation?

Ms. SHAUKET. Yes. The MOU meets the overall spirit and intent of Section 861. It should be noted, however, that the MOU reaches beyond Section 861 to extend the provision to assistance awards/grantees as well.

Dr. SNYDER. For Iraq and Afghanistan, do you believe you have a sufficient number of contracting officers and other contracting personnel in-country? If not, what plan do you have to increase this number? What resources will you require to do so?

Ms. SHAUKET. Even with the inclusion of related support personnel, including contracting specialists and Contracting Officer's Technical Representatives, USAID remains greatly understaffed with contracting and agreement officers to ensure the due diligence, best value, and transparency necessary to safeguard U.S. taxpayer funds spent in these contingency countries. For Iraq, the agency will have two U.S. direct hire Contracting Officers (COs) as of summer 2009. While the agency has more than 20 awards in Iraq, staffing needs are still being reviewed based on procurement plans. For Afghanistan, the agency currently has five U.S. direct hires to manage, oversee, and deliver on procurement needs in-country. A back-up office in Thailand provides support with two additional U.S. direct hire COs. Workforce plans for Afghanistan include increasing the number of U.S. direct hires in Kabul within the next six months to a total of eight U.S. direct hires. As well, the Office of Acquisition and Assistance plans on one additional CO in Thailand for support purposes.

As the agency rebuilds its staffing levels, we continue to supplement our contracting officer needs in Afghanistan and Iraq with short- and long-term TDY support. With a need for experienced individuals in these positions, we will seek to recruit mid-level COs through the Development Leadership Initiative (DLI), and evaluate whether we will be able to place some of these individuals in our contingency countries, including Afghanistan.

The resources necessary to staff up USAID COs in these countries involve sustained funding for foreign service positions (such as the DLI program) as well as committed funds to staffing up the USAID Office of Acquisition and Assistance. Another issue not addressed by adding resources to hire more COs, however, is the need to better manage the retention rates for our most experienced, senior foreign service contracting officers. This remains a concern as new hires via DLI must be well trained and gain extensive USAID contracting experience prior to deployment to contingency countries in most cases.

USAID continues to review how to build its capacity to manage CO needs in these contingency situations with today's resource levels. Under this review, we will examine adopting business models currently followed by our DOD and DOS colleagues regarding fee for service or establishment of a working fund.

Dr. SNYDER. In your opinion, what is the appropriate vehicle to coordinate contracting activities across the interagency in future potential contingency settings? Is there room to improve interagency cooperation, and if so, what do you propose?

Ms. SHAUKET. Strong and sustained interagency coordination in a contingency situation is critical to achieving USG goals. For this reason, room for improvement always exists.

As an agency, we are committed to coordinating activities in a consistent manner. A core working group of equal-rank colleagues, for example, and/or the formation of an office dedicated to coordinating contracting activities for a particular country/region may be viable options for future contingency situations. For best coordination, of course, providing immediate action at the onset of the situation and sustaining it through the process with all parties present or accounted for are important considerations. As well, selecting coordinating representatives who can remain committed and open to the process associated with reconstruction/development planning should be considered.

In particular to SPOT, one recommendation for continuity would be to appoint at least one DOD civil service employee to manage the interagency coordination of all SPOT activities. (Military personnel may often move through assignments in one- to two-year periods.) As well, DOS and USAID would need to appoint full-time staff dedicated to the multi-year effort. The appropriate resources, of course, would need to be determined to meet this need.

Dr. SNYDER. Do you believe the language in the Memorandum of Understanding meets the spirit and intent of the Section 861 legislation?

Mr. HUTTON. The report language accompanying the National Defense Authorization Act for 2008 does not provide an indication of congressional intent for determining whether the Memorandum of Understanding (MOU) meets the spirit and intent of Section 861. However, the text of the July 2008 MOU signed by the Departments of Defense and State and the U.S. Agency for International Development (USAID) meets the common database requirements and addresses the other matters specified as a minimum in Section 861. In meeting the requirement to identify a common database to serve as a repository of information on contracts and contractors personnel in Iraq and Afghanistan, the MOU established the simplified acquisition threshold as a criterion for a contract's inclusion in the Synchronized Pre-Deployment and Operational Tracker (SPOT), which was designated by the three agencies as the system of record for the required contract and contractor personnel information. The simplified acquisition threshold is $100,000 except for contracts awarded and performed overseas in support of a contingency operation, in which case the threshold is $1 million. Since Section 861 did not specify a minimum dollar value threshold regarding which contracts should appear in SPOT, the database could exclude a significant number of lower dollar value contracts and, therefore, the personnel working on them even though they meet the criteria specified in Section 861.

The Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 amended section 861 by specifying additional administrative matters regarding offenses under the Uniform Code of Military Justice and the Military Extraterritorial Jurisdiction Act to be included in the MOU. The Act further required the agencies to modify their existing MOU to address these additional matters by February 11, 2009. However, according to State and USAID officials as of May 17, 2009 the required modifications to the MOU are still pending final approval.

Dr. SNYDER. In your opinion, what is the appropriate vehicle to coordinate contracting activities across the interagency in future potential contingency settings?

Mr. HUTTON. GAO has not assessed what the appropriate vehicles would be for coordinating contingency contracting activities across agencies. However, before the agencies can effectively coordinate their contingency contracting activities, they need to ensure that their respective decision makers have accurate, complete, and timely information on contracts and contractor personnel. They would then need to collectively determine what information should be shared, as well as when and how

that information should be shared—all of which should be clearly specified so that each agency understands what has been agreed to and what its responsibilities are. Ideally, such an arrangement, which may need to be tailored to fit the circumstances of each contingency operation, would be in place before the start of an operation or soon after its start to ensure that coordination and communication are as effective as possible as soon as possible.

Dr. SNYDER. Your statement identified a number of management and oversight challenges related to using contractors in contingency operations. To what extent will SPOT help address some of those challenges?

Mr. HUTTON. SPOT has the potential to help address some of the contract management and oversight challenges GAO has previously identified. Specifically, once fully implemented and populated, SPOT could provide civilian and military officials with centralized, standardized data on the extent to which they rely on contractors, the tasks contractors are performing, and costs—all of which could inform and assist in planning efforts, account for costs, and mitigate risks. However, it is too soon to determine how useful SPOT will be as a management and oversight tool for Defense, State, and USAID. First, not all contracts and contractor personnel are being entered into SPOT. Foreign nationals, particularly in Afghanistan, are underrepresented in SPOT and the agencies only recently began entering some data elements. Second, it is not clear how the agencies will use the SPOT data that has been and will be entered. The agencies' focus to date has been on putting information into the system rather than pulling information out for management purposes. Further, the agencies have varying views on the level of detail and types of information that need to be captured in SPOT and the usefulness of such data to better plan for and oversee the use of contractors. As noted in GAO's statement, Defense, State, and USAID need to continue to work together to develop and implement a database that is flexible enough to be applicable across agencies while still providing detailed information to better manage and oversee contractors.

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